

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

JOSEPH MUNDY,

Plaintiff,

vs.

YELLOW TRANSPORTATION COMPANY, INC.,
SHORT-TERM DISABILITY PLAN,
Designated for Employees of
Yellow Transportation, Inc.;
YELLOW TRANSPORTATION COMPANY, INC.,
LONG-TERM DISABILITY PLAN,
Designated for Employees of
Yellow Transportation, Inc.;
CIGNA CORPORATION,
in its capacity as Administrator
of the Plans;

Defendants.

FILED

March 18, 2008 TG

No.08cv1576

Judge BUCKLO

Magistrate Judge VALDEZ

COMPLAINT

Now comes the Plaintiff, JOSEPH MUNDY, by his attorneys,
DOBBS AND HUTCHISON, and complaining against the defendants,
states:

1. Jurisdiction of the court is based upon the Employee
Retirement Income Security Act of 1974 (ERISA); and in
particular, 29 U.S.C. Sect. 1132(e)(1) and 1132(f). Those
provisions give the district courts jurisdiction to hear civil
actions brought to recover benefits due under the terms of an
employee welfare benefit plan which, in this case, consists of

group short-term and long-term disability insurance plans administered by CIGNA CORPORATION ("CIGNA") for the benefit of employees of Yellow Transportation, Inc.

2. The ERISA statute provides, at 29 U.C.C. Sect. 1133, a mechanism for administrative or internal appeal of benefits denials.

3. Plaintiff has exhausted all of his pre-suit appeals. Venue is proper in the Northern District of Illinois 29 U.S.C. Sect. 1132(e)(2), 28 U.S.C. Sect. 1391.

Nature of Action

4. This is a claim seeking payment of disability income benefits pursuant to short-term and long-term disability plans administered by CIGNA to provide long-term disability income benefits to employees of CIGNA. This action, seeking recovery of benefits, is brought pursuant to Sect. 502(a)(1)(B) of ERISA (29 U.S.C. Sect. 1132 (a)(1)(B)).

The Parties

5. JOSEPH MUNDY at all relevant times, is a resident of Palos Hills, Cook County, Illinois. (MUNDY)

6. Yellow Transportation, Inc. Short-Term Disability Plan (Plan) is an employee benefit plan sponsored by Yellow Transportation, Inc. (YTI), and administered by CIGNA for the

benefit of its employees. A true and correct copy of the Plan is attached as Exhibit A. (SHORT-TERM DISABILITY PLAN)

7. At all times relevant hereto, the SHORT-TERM DISABILITY PLAN constituted an "employee welfare benefit plan" as defined by 29 U.S.C. Sect. 1002(1); and incident to his employment, Mundy received coverage under the Plan as "participant" as defined by 29 U.S.C. Sect. 1002(7).

8. Yellow Transportation, Inc. Long-Term Disability Plan (LONG-TERM DISABILITY PLAN) is an employee benefit plan sponsored by YTI, and administered by CIGNA for the benefit of its employees. A true and correct copy of the Plan is attached as Exhibit B. (LONG-TERM DISABILITY PLAN)

9. At all times relevant hereto, the LONG-TERM DISABILITY PLAN constituted an "employee welfare benefit plan" as defined by 29 U.S.C. Sect. 1002(1); and incident to his employment, Mundy received coverage under the Plan as "participant" as defined by 29 U.S.C. Sect. 1002(7).

Statement of Facts

10. MUNDY was actively employed by YTI for 14 years from October 15, 1991 until January 5, 2005, when he had to cease work as a Line Dispatcher when he suffered from an event in which he lost vision, which was diagnosed by his doctors as having been caused by a genetic protein blood deficiency, and

stenosis of the carotid arteries. Mundy has aneurismal disease, and in fact aneurysms that the doctors found could dislodge and cause severe damage or death. Furthermore, the work-up following the event evidenced that Mundy had 'white matter disease' of the brain, may have been having small strokes, did not have blood going to his head because of 50% external carotoid artery blockage and 70% of internal blockage, and, based upon a neuro-psych exam, had cognitive deficits. Mundy's doctor did not release him to work, and has not released him to work to date.

11. MUNDY has not engaged in any substantial gainful activity since that date, and has been found by the Social Security Administration to be totally disabled, with an onset date of January 6, 2005.

Recovery of Short-Term Disability Benefits

12. Subsequent to his ceasing his active employment, MUNDY applied for short-term benefits under the SHORT-TERM DISABILITY PLAN, and his application alleged that due to his condition, he was entitled to benefits due to qualifying disability under the plan.

13. MUNDY was found to meet the definition of disability, and was paid \$4,535.27 per month from January 6, 2005, until May 6, 2005 (full pay for first four months) and \$2,721.16 per month

from May 7, 2005 until May 15, 2005 (60% of pay after first four months).

14. Thereafter, continuing benefits past May 15, 2005 were denied to MUNDY, by letter dated April 27 2005, based upon the claim by the defendants that

15. After receiving CIGNA's denial of continuing benefits, MUNDY submitted a detailed appeal of the benefits denial which contained substantial medical and other evidence, that support MUNDY's claim that his medical problems continue to meet the CIGNA of disability under the policy.

16. Without cause or reasonable justification, CIGNA denied MUNDY's appeals and affirmed its decision to terminate benefits.

17. CIGNA's actions have now foreclosed all avenues of administrative appeal and this matter is ripe for judicial review.

18. MUNDY is entitled to short-term disability benefits from May 15, 2005, July 6, 2005, at \$2,721.16 per month, plus interest on all overdue payments at the rate of 9% in accordance with 215 ILCS 5/357.9 or 357.9a, and continuing benefits.

WHEREFORE, MUNDY prays for the following relief:

A. That the court enter judgment in MUNDY's favor and against the defendants for MUNDY's past-due short-term disability income benefits under the Plan;

B. That the court order the defendants to pay MUNDY prejudgment interest on all benefits that have accrued prior to the date of judgment at a rate of 9% in accordance with 215 ILCS 5/357.9;

C. That the court award attorneys' fees pursuant to 29 U.S.C. Sect. 1132(g); and

D. That MUNDY recover all costs of suit.

Recovery of Long-Term Disability Benefits

19. Subsequent to his ceasing his active employment, MUNDY applied for long-term benefits under the LONG-TERM DISABILITY PLAN, and his application alleged that due to his condition, he was entitled to benefits due to qualifying disability under the plan.

20. MUNDY alleged that he is due Long-Term Disability payments from July 7, 2005 until the present.

21. Benefits were denied to MUNDY, by letter dated August 24, 2007, with the defense by CIGNA that MUNDY's functional limitations did not present him from performing his former position, which was appealed by Mundy, with response from CIGNA dated January 16, 2008 that the company would not reconsider its

decision without new evidence, despite the fact that MUNDY had submitted new evidence with the appeal.

21. With the filing of the claim for benefits, and after receiving CIGNA's denial of benefits, MUNDY submitted a detailed appeal of the benefits denial which contained substantial medical and other evidence, that support MUNDY's claim that his medical problems meet the CIGNA of disability under the policy.

22. Without cause or reasonable justification, CIGNA denied MUNDY's appeals and affirmed its decision to terminate benefits.

23. CIGNA's actions have now foreclosed all avenues of administrative appeal and this matter is ripe for judicial review.

24. MUNDY is entitled to long-term disability benefits from July 7, 2005 to the present \$3,023.66 per month, plus interest on all overdue payments at the rate of 9% in accordance with 215 ILCS 5/357.9 or 357.9a, and continuing benefits.

WHEREFORE, MUNDY prays for the following relief:

A. That the court enter judgment in MUNDY's favor and against the defendants and that the court order the defendants to reinstate MUNDY's disability income benefits under the Plan;

B. That the court order the defendants to pay MUNDY prejudgment interest on all benefits that have accrued prior to

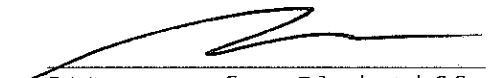
the date of judgment at a rate of 9% in accordance with 215 ILCS 5/357.9;

C. That the court order defendants to continue paying and providing MUNDY with benefits so long as he meets the various employee benefit plans' terms and conditions for receipt of benefits;

D. That the court award attorneys' fees pursuant to 29 U.S.C. Sect. 1132(g); and

E. That MUNDY recover all costs of suit.

Respectfully submitted,



Attorney for Plaintiff

Dobbs and Hutchison
47 West Polk Street, Suite M-2
Chicago, Il 60605
312-461-9800

SHORT-TERM INCOME REPLACEMENT PLAN FOR EXEMPT EMPLOYEES

The Short-Term Income Replacement Plan (STIR) provides partial wage replacement wages for "eligible employees" who are necessarily absent from work due to illness or injury. Conditions of STIR payments are subject to the provisions of Yellow's Plan. As a condition of receiving STIR benefits, the employee represents that s/he is unable to perform his/her job at Yellow and is not working elsewhere during the period for which s/he is seeking and/or has received STIR benefits.

A. Eligible Employees

The Plan covers regular, exempt employees of Yellow Transportation, Inc. (YTI) and participating subsidiaries who have completed at least one month of continuous employment with the Company and who are incapacitated from performing his or her regularly scheduled work due to illness or injury.

B. Basis of Payment

1. If an eligible employee becomes incapacitated as a result of illness or injury, which causes him or her to be unable to work for a period of more than one week, during a time when the employee would otherwise be working, he or she will be paid according to the "Maximum Benefit" schedule listed below.

Maximum Benefit Schedule

Length of Service	Maximum Benefit	
	Months at Full Salary	Months at 60% of Salary
3 months but less than 1 year	1	5
1 year but less than 5 years	2	4
5 years but less than 10 years	3	3
10 years but less than 15 years	4	2
15 years but less than 20 years	5	1
20 years and over	6	0

D. Exclusions and Limitations

1. Benefits will not be paid for absences due to:
 - Employment in any other occupation;
 - Misconduct, such as brawling, unlawful acts, etc;
 - Participation in hazardous activities such as, but not limited to, skydiving, bungee jumping; or, professional participation in a hazardous sport such as, but not limited to, football, hockey or boxing;
 - Intentionally self-inflicted injuries;
 - Civil disorder, war or military service.
2. Benefits will not be paid for any period beyond the date which the employee would otherwise have been suspended, terminated, laid-off or retired.
3. Amounts otherwise payable under the Plan will be reduced by the benefits payable under any workers' compensation or occupational disease law and any state or provincial disability plans. Lost wages recovered from a third party (such as auto insurance) by any means will be subrogated to the Company to the full extent of the Company's payments.
4. Benefits paid for absences commencing during the first year of employment due to a mental or physical condition for which medical treatment or advice was rendered, prescribed or recommended within 6 months prior to coverage under the STIR program will be limited to one exempt pay period of Short Term Income Replacement pay. A condition shall no longer be considered pre-existing if it causes an absence, which begins after an employee has been covered under the STIR program for a period of 12 months. The employee's status will then change from "Short Term Income Replacement" to "Unpaid Leave of Absence – Health Reasons."
5. Benefits will not be paid for any part of an absence during which the employee is not under the care of a medical or osteopathic physician or a podiatrist working within the scope of his or her license.
6. Holidays occurring while an employee is disabled will be paid as Income Replacement pay under the same conditions as other time lost from work.
7. Employees in the following states in which the Company operates are also covered by state disability plans. It is essential that employees who are eligible for benefits under these plans make timely application for them:
 - CALIFORNIA
 - NEW JERSEY
 - HAWAII
 - NEW YORK
 - RHODE ISLAND

Generally, weekly benefits under these plans are payable for non-occupational disabilities after a one-week waiting period or from the first day of hospitalization,

require future examinations by the employee's doctor or a doctor of their choice. The medical opinion given by the Company doctor will prevail in determining an employee's ability to return to work.

4. An employee on Short-Term Income Replacement status is required periodically to contact their immediate supervisor/manager with updates regarding their expected return to work status.

G. Responsibility of CIGNA

1. CIGNA will determine whether or not an employee is eligible for Short-Term Income Replacement benefits.
2. Once CIGNA receives notification of a claim, a letter of acknowledgement will be mailed to the employee's home. CIGNA will verify an employee's eligibility and evaluate their claim for benefits and contact the employee (either with a call or letter) regarding the status of their claim.
3. When CIGNA approves a claim, they will contact the employee and YTI Benefits and Compensation Department regarding the appropriate time period of Income Replacement payment for which has been approved. CIGNA will coordinate the return to work with the employee, their supervisor, and their physician. If an employee has not been contacted by CIGNA prior to their physician releasing them to work, the employee is required to contact CIGNA and YTI Benefits and Compensation Department.
4. If the STIR claim or an extension of STIR benefits is not approved, CIGNA will communicate to the YTI Benefits and Compensation Department. Also a detailed letter outlining the specific reasons for the denial and information on how to appeal the claim decision will be mailed out to the employee (only). YTI Benefits and Compensation Department will suspend employee's Income Replacement pay during this time until a final decision has been made.
5. CIGNA will continue to process an employee's Income Replacement claim if it should transition from a Short-Term Income Replacement to a Long Term Disability. CIGNA will be responsible for communicating to Yellow and the employee of the claim transfer as well the associated benefits.

H. Fitness For Duty:

1. Prior to returning to work, an employee must provide their supervisor/manager with a written release from their physician. An employee returning from Income Replacement status must be medically qualified to perform the essential functions of the job with or without a reasonable accommodation. The supervisor must notify the YTI Benefits and Compensation Department of the employee's release to work and fax a copy of the release to the YTI Benefits and Compensation Department.
2. If any restrictions are listed, the YTI Benefits and Compensation Department will discuss with the supervisor and/or the Human Resources Manager the options of returning the employee to work within the guidelines of the stated restrictions. If

K. Family and Medical Leave Act (FMLA leave)

An employee who qualifies for Short-Term Income Replacement, will also be designated to the Family and Medical Leave Act (FMLA) status, which will run concurrent with Short-Term Income Replacement. ***When CIGNA has approved a claim, YTI Benefits and Compensation will send FMLA Notification to the employee's home.*** As long as the employee is considered in the STIR / FMLA status, the medical documentation required for STIR will be sufficient for FMLA purposes.

1. Family and Medical Leave (FMLA):

If the employee has qualified for leave under the Family and Medical Leave Act, or any similar state law, returning to work will be governed by the provisions of that law and the Company's Family and Medical Leave Act policy. FMLA provides eligible employees job protection for a maximum of 12 weeks in a 12-month period. When FMLA leave is exhausted, the provisions below will apply.

2. Non Family and Medical Leave:

If reasonable, the Company will return an employee who has been on Income Replacement leave to the job he or she vacated or to a similar job. The Company cannot guarantee a return to work to the same or similar job and may have to lay-off and/or terminate the employee at the end of the leave.

L. Change or Discontinuance of the Plan

The Company reserves the right to amend, modify, revoke, change the method of providing benefits or cancel this plan, in whole or in part, at any time. The authority to do so rests with the President of the Company and the Sr. Vice President of Labor and Human Resources of the Company.

the employee is "disabled" within the meaning of the ADA or a similar state law, a reasonable accommodation will be explored.

3. An employee who is released by their physician to return to work in a temporary restricted status will remain in Short-Term Income Replacement status until they are released by their physician to return to work with the ability to perform the essential functions of his or her job, with or without a reasonable accommodation. The employee must provide his or her supervisor with the written release and a copy must also be faxed to the YTI Benefits and Compensation Department. The employee's rate of pay will be 100% for the hours they actually work during the pay cycle. Income Replacement rate of pay will be either 100% or 60%, as determined under the "Maximum Benefit" schedule. Holidays occurring during this time will be paid at the Income Replacement rate of pay. The supervisor should contact the YTI Benefits and Compensation Department each Monday to report the number of hours worked during the previous week. This figure will be reported to the Payroll Department for wage calculations.

I. Vacation During a Short-Term Income Replacement Leave

1. An employee may not elect to take earned vacation time once an Income Replacement Leave has commenced.
2. An employee who is already on a pre-scheduled vacation and does not return to work due to illness or injury will be placed on Short-Term Income Replacement, if eligible, once his or her pre-scheduled vacation time has ended.
3. Any unused vacation from one calendar year may not be carried over to the next calendar year due to an Income Replacement leave. Any vacation time not taken by year-end due to the employee's Short-Term Income Replacement status will be forfeited for that plan year.

J. Short-Term Income Replacement Supplement / Worker's Compensation Leave

1. An employee on Workers' Compensation status, may be eligible for a Short-Term Income Replacement supplement to their workers' compensation wages. This supplement is based on the employee's length of service with the Company (see the "Maximum Benefit Schedule") and the employee's weekly Workers' Compensation benefit.
2. An employee wanting to receive Short-Term Income Replacement supplement must contact CIGNA to notify them of their situation preventing them from performing the material duties of their position. (see "Responsibility of Employee").
3. Short-Term Income Replacement supplement, which is subject to tax withholding and all other normal deductions, will be paid in a separate payment to the employee.

if earlier. Claims should be filed when an employee is first hospitalized or after one week of lost time. These plans will not make payments for periods, which predate the filing of the claim for more than a few weeks.

NOTE: State disability plan benefits for which an employee is eligible (whether or not he or she files for them) will be deducted from his or her Company Income Replacement benefits.

STATE OF NEW YORK: An employee that works in the state of New York, must file a "Notice and Proof of Claim for Disability Benefits" (Form DB-450) and Hartford Insurance Claim form with the YTI Benefits and Compensation Department as soon as possible after the situation preventing them from performing the material duties of their position begins.

E. Refusal of Short-Term Income Replacement Benefits

An employee who refuses Short-Term Income Replacement Benefits and does not otherwise qualify for leave under the Family and Medical Leave Act, or any similar state law, will be subject to review by Human Resources and may be subject to termination of employment.

F. Responsibility of Employee

1. An employee must notify their immediate supervisor regarding any absence.
2. An employee is required to report absences longer than five (5) consecutive working days to CIGNA by calling 1-800-253-7054 and follow the prompts to initiate a claim. CIGNA is available between the hours of 7:00 a.m. and 7:00 p.m. Central Time, Monday through Friday, except holidays. Or, if you prefer, you can access the on-line claim form through CIGNA's website. The direct link is <https://dmswebintake.group.cigna.com> or you can reach the form through www.CIGNA.com. To submit a disability claim through CIGNA.com click on "Life, Accident & Disability" and then select "Submit a Disability Claim" from the Popular Links menu. All STIR claims must be reported using one of the two reporting methods.

An employee will need to be prepared to provide the following information:

- Your name, address, telephone number
 - Your social security number
 - Your date of birth
 - Your supervisor's name, telephone number and your Yellow work location
 - Your physician's name, address, fax and telephone number
 - Your HR representative's name and telephone number
 - Your date of hire and date last worked
 - A description of your injury or illness
 - A description of your job duties
3. The employee agrees to authorize his or her doctor to provide medical records to the CIGNA Insurance Company. As a condition for payment, CIGNA reserves the right to obtain additional medical information. CIGNA reserves the right to

2. CIGNA Insurance Company, Yellow's third party administrator, will manage the administration of YTI's Short-Term Income Replacement Plan. CIGNA will authorize Income Replacement payments and approval of "Income Replacement Period" to YTI Benefits and Compensation Department who coordinates with YTI Payroll Department the release of the benefit.
3. Short-Term Income Replacement payments are subject to all normal taxes and payroll deductions and will be distributed in the same manner as a normal paycheck (i.e. if normal paycheck is direct deposited so will the STIR check).

C. Duration of Payments

- 1) Payments to an employee during any one "Period of Income Replacement" shall not exceed the "Maximum Benefit." If an employee returns to work for less than six months after receiving benefits under this Plan and becomes incapacitated from performing the employee's job due to the same or related cause, then the initial absence and such successive absences will be considered as one "Period of Income Replacement."
- 2) Separate periods of Income Replacement resulting from **unrelated causes** will be considered one period of Income Replacement unless separated by a return to active employment for at least one full day.
- 3) Payments to an employee will continue provided:
 - (a) the employee is continuously unable to perform all of the substantial and material duties of his or her own occupation due to injury or sickness that begins while the employee is covered under this program.
 - (b) under the regular care of a licensed physician other than the eligible employee; and
 - (c) not gainfully employed in any occupation for which the covered employees is or becomes qualified, by education, training, or experience.
- 4) Employees who exhaust their Short-Term Income Replacement benefit and are not approved for Long-Term Disability, and do not return to work, will have their participation in their elected benefit plans discontinued and will be removed from the active payroll.
- 5) Benefits will not be payable if Yellow is willing to make reasonable accommodations to allow you to return to your regular occupation and you refuse to return to work.

NOTE: Like all Short-Term Income Replacement leaves, childbirth leaves will be determined on the medical necessity of each individual case, that is, whether the employee is incapacitated from performing her job. The standard leave time after the date of birth is 6 weeks for a normal delivery and 8 weeks for a cesarean section. If it is medically necessary to remain off work past this time period, written documentation from the attending physician(s) will need to be submitted to CIGNA.

Group Long Term Disability



CIGNA Group Insurance
Life • Accident • Disability

Life Insurance Company of North America
Connecticut General Life Insurance Company
CIGNA Life Insurance Company of New York

500469 Rev. 03/2006

EX B

LONG-TERM POLICY

LIFE INSURANCE COMPANY OF NORTH AMERICA
(herein called the Company)

Amendment to be attached to and made a part of the Group Policy
A Contract between the Company and

Yellow Roadway Corporation
(herein called the Policyholder)

Policy No.: FLK 980016

This Amendment will be in effect on the Effective Date(s) shown below only for insured Employees in Active Service on that date. If an Employee is not in Active Service on the date his insurance would otherwise become effective, it will be effective on the date he returns to Active Service.

The Company and the Policyholder hereby agree that effective January 1, 2005, the Policy is amended as follows:

1. Class 1 in the Classes of Eligible Employees section under the heading SCHEDULE OF BENEFITS is hereby amended as indicated on the attached revised SCHEDULE OF BENEFITS.
2. Class 2 in the Classes of Eligible Employees section under the heading SCHEDULE OF BENEFITS is hereby amended as indicated on the attached revised SCHEDULE OF BENEFITS.
3. Class 3 in the Classes of Eligible Employees section under the heading SCHEDULE OF BENEFITS is hereby amended as indicated on the attached revised SCHEDULE OF BENEFITS.
4. The Classes of Eligible Employees section under the heading SCHEDULE OF BENEFITS is hereby amended to add Class 4 as indicated on the attached revised SCHEDULE OF BENEFITS.
5. The Classes of Eligible Employees section under the heading SCHEDULE OF BENEFITS is hereby amended to add Class 5 as indicated on the attached revised SCHEDULE OF BENEFITS.
6. SCHEDULE OF BENEFITS FOR CLASS 1 is hereby amended as indicated on the attached revised SCHEDULE OF BENEFITS FOR CLASS 1.
7. SCHEDULE OF BENEFITS FOR CLASS 2 is hereby amended as indicated on the attached revised SCHEDULE OF BENEFITS FOR CLASS 2.
8. SCHEDULE OF BENEFITS FOR CLASS 3 is hereby amended as indicated on the attached revised SCHEDULE OF BENEFITS FOR CLASS 3.

MAR 10 2005

**Group Life & Disability
Coverage Unit**

Except for the above, this Amendment does not change the Policy in any way.

FOR THE COMPANY

A handwritten signature in black ink, appearing to read "Gregory H. Wolf". The signature is stylized with a large, looped "G" and a long, sweeping underline.

By: Gregory H. Wolf, President

TL-004780

SCHEDULE OF BENEFITS

Premium Due Date

Premiums are due in arrears on the date coinciding with the day of the Policy Anniversary Date or the last day of the month, if earlier.

Classes of Eligible Employees

On the pages following the definition of eligible employees there is a Schedule of Benefits for each Class of Eligible Employees listed below. For an explanation of these benefits, please see the Description of Benefits provision.

If an Employee is eligible under one Class of Eligible Employees and later becomes eligible under a different Class of Eligible Employees, changes in his or her insurance due to the class change will be effective on the next premium due date following the change in class.

- | | |
|---------|---|
| Class 1 | All active, Full-time non-bargaining Employees of the Employer regularly working a minimum of 40 hours per week, excluding Corporate Officers and Employees of Roadway Express as of 10/1/04. |
| Class 2 | All active, Part-time non-bargaining Employees of the Employer regularly working a minimum of 20 hours per week, excluding Corporate Officers and Employees of Roadway Express as of 10/1/04. |
| Class 3 | All active, Full-time Employees who are Corporate Officers of the Employer and regularly work a minimum of 40 hours per week, excluding Employees of Roadway Express as of 10/1/04. |
| Class 4 | All active, Full-time Employees Board Appointed officers of Roadway Express as of 10/1/04 working a minimum of 40 hours per week. |
| Class 5 | All active, Full-time salaried exempt and no-exempt non-bargaining Employees of Roadway Express as of 10/1/04 regularly working a minimum of 40 hours per week. |

SCHEDULE OF BENEFITS FOR CLASS 1

Eligibility Waiting Period

For Employees hired on or before the Policy Effective Date: After 1 month of Active Service

For Employees hired after the Policy Effective Date: After 1 month of Active Service

Definition of Disability/Disabled

The Employee is considered Disabled if, solely because of Injury or Sickness, he or she is:

1. unable to perform the material duties of his or her Regular Occupation; and
2. unable to earn 80% or more of his or her Indexed Earnings from working in his or her Regular Occupation.

After Disability Benefits have been payable for 24 months, the Employee is considered Disabled if, solely due to Injury or Sickness, he or she is:

1. unable to perform the material duties of any occupation for which he or she is, or may reasonably become, qualified based on education, training or experience; and
2. unable to earn 80% or more of his or her Indexed Earnings.

The Insurance Company will require proof of earnings and continued Disability.

Definition of Optimum Ability

1. for the first 24 months that benefits are payable, the greatest extent of work the Employee is able to do in his or her Regular Occupation;
2. after 24 months, the greatest extent of work the Employee is able to do in any occupation based on education, training or experience.

The Employee's ability to work is based on the following:

1. medical evidence submitted by the Employee;
2. consultation with the Employee's Physician; and
3. evaluation of the Employee's ability to work by not more than three Independent Experts if required by the Insurance Company.

There is no cost to the Employee for evaluation by an Independent Expert when required by the Insurance Company to determine Optimum Ability.

The Independent Expert must be:

1. licensed, registered or certified as required by the laws of the state in which the evaluation is made; and
2. acting within the scope of that license, registration or certificate.

Definition of Covered Earnings

Covered Earnings (flex pay) is the Employee's annual rate of pay plus the three year average of any lump sum payments (lump sum payments are normally Pay for Performance earnings, but could also encompass a lump sum merit) or incentive pay determined as of September 15th of each year divided by 12 months, as reported by the Employer for work performed for the Employer as in effect just prior to the date Disability begins. It does not include earnings received from commissions, overtime pay or other extra compensation. Covered Earnings are determined initially on the date an Employee applies for coverage. A change in the amount of Covered Earnings is effective as of September 15th of each year, if the Employer gives us written notice of the change and the required premium is paid.

Any increase in an Employee's Covered Earnings will not be effective during a period of continuous Disability.

Elimination Period

Core Benefit:	6 months
Optional Benefit 1:	6 months
Optional Benefit 2:	6 months

Gross Disability Benefit

Core Benefit:	50%
Optional Benefit 1:	60%
Optional Benefit 2:	66.67%

The lesser the percent of an Employee's monthly Covered Earnings listed above, rounded to the nearest dollar, or the Maximum Disability Benefit.

Maximum Disability Benefit

Core Benefit:	\$5,000 per month
Optional Benefit 1:	\$10,000 per month
Optional Benefit 2:	\$20,000 per month

Minimum Disability Benefit

Core Benefit:	\$100 per month
Optional Benefit 1:	\$100 per month
Optional Benefit 2:	\$100 per month

Disability Benefit Calculation

The Disability Benefit payable to the Employee is figured using the Gross Disability Benefit, Other Income Benefits, calculation of Optimum Ability and the Return to Work Incentive. Monthly Benefits are based on a 30-day month. The Disability Benefit will be prorated if payable for any period less than a month.

During any month the Employee has no Disability Earnings, the monthly benefit payable is the Gross Disability Benefit less Other Income Benefits, and less the calculation for Optimum Ability. During any month the Employee has Disability Earnings, benefits are determined under the Return to Work Incentive. Benefits will not be less than the minimum benefit shown in the Schedule of Benefits except as provided under the section Minimum Benefit.

"Other Income Benefits" means any benefits listed in the Other Income Benefits provision that an Employee receives on his or her own behalf or for dependents, or which the Employee's dependents receive because of the Employee's entitlement to Other Income Benefits.

Return to Work Incentive

During any month the Employee has Disability Earnings, his or her benefits will be calculated as follows.

The Employee's monthly benefit payable will be calculated as follows during the first 24 months disability benefits are payable and the Employee has Disability Earnings:

1. Add the Employee's Gross Disability Benefit and Disability Earnings.
2. Compare the sum from 1. to the Employee's Indexed Earnings.
3. If the sum from 1. exceeds 100% of the Employee's Indexed Earnings, then subtract the Indexed Earnings from the sum in 1.
4. The Employee's Gross Disability Benefit will be reduced by the difference from 3., as well as by Other Income Benefits and the calculation for Optimum Ability.
5. If the sum from 1. does not exceed 100% of the Employee's Indexed Earnings, the Employee's Gross Disability Benefit will be reduced by Other Income Benefits and the calculation for Optimum Ability.

After disability benefits are payable for 24 months, the monthly benefit payable is the Gross Disability Benefit reduced by Other Income Benefits, the calculation for Optimum Ability and 50% of Disability Earnings.

No Disability Benefits will be paid, and insurance will end if the Insurance Company determines the Employee is able to work under a modified work arrangement and he or she refuses to do so without Good Cause.

Calculation for Optimum Ability

The calculation for Optimum Ability is the earnings the Employee could earn if working at Optimum Ability, minus Disability Earnings.

Additional Benefits

Survivor Benefit

Benefit Waiting Period:	After 6 Monthly Benefits are payable.
Amount of Benefit:	100% of the sum of the last full Disability Benefit plus the amount of any Disability Earnings by which the benefit had been reduced for that month.
Maximum Benefit Period	A single lump sum payment equal to 6 monthly Survivor Benefits.

Maximum Benefit Period

Age When Disability Begins

Age 62 or under

Age 63

Age 64

Age 65

Age 66

Age 67

Age 68

Age 69 or older

Maximum Benefit Period

The Employee's 65th birthday or the date the 42nd Monthly Benefit is payable, if later.

The date the 36th Monthly Benefit is payable.

The date the 30th Monthly Benefit is payable.

The date the 24th Monthly Benefit is payable.

The date the 21st Monthly Benefit is payable.

The date the 18th Monthly Benefit is payable.

The date the 15th Monthly Benefit is payable.

The date the 12th Monthly Benefit is payable.

Initial Premium Rates

Core Benefit:	\$.175 per \$100 of Covered Payroll to a maximum of \$10,000
Optional Benefit 1:	\$.357 per \$100 of Covered Payroll to a maximum of \$16,666
Optional Benefit 2:	\$.49 per \$100 of Covered Payroll to a maximum of \$29,998

Covered Payroll for an Employee will mean his or her Covered Earnings for the insurance month prior to the date the determination is made. However, an Employee's Covered Payroll will not include any part of his or her monthly Covered Earnings which exceed the maximum amount as indicated above.

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SCHEDULE OF BENEFITS FOR CLASS 2

Eligibility Waiting Period

For Employees hired on or before the Policy Effective Date: After 1 month of Active Service

For Employees hired after the Policy Effective Date: After 1 month of Active Service

Definition of Disability/Disabled

The Employee is considered Disabled if, solely because of Injury or Sickness, he or she is:

1. unable to perform the material duties of his or her Regular Occupation; and
2. unable to earn 80% or more of his or her Indexed Earnings from working in his or her Regular Occupation.

After Disability Benefits have been payable for 24 months, the Employee is considered Disabled if, solely due to Injury or Sickness, he or she is:

1. unable to perform the material duties of any occupation for which he or she is, or may reasonably become, qualified based on education, training or experience; and
2. unable to earn 80% or more of his or her Indexed Earnings.

The Insurance Company will require proof of earnings and continued Disability.

Definition of Optimum Ability

1. for the first 24 months that benefits are payable, the greatest extent of work the Employee is able to do in his or her Regular Occupation;
2. after 24 months, the greatest extent of work the Employee is able to do in any occupation based on education, training or experience.

The Employee's ability to work is based on the following:

1. medical evidence submitted by the Employee;
2. consultation with the Employee's Physician; and
3. evaluation of the Employee's ability to work by not more than three Independent Experts if required by the Insurance Company.

There is no cost to the Employee for evaluation by an Independent Expert when required by the Insurance Company to determine Optimum Ability.

The Independent Expert must be:

1. licensed, registered or certified as required by the laws of the state in which the evaluation is made; and
2. acting within the scope of that license, registration or certificate.

Definition of Covered Earnings

Covered Earnings (flex pay) is the Employee's annual rate of pay plus the three year average of any lump sum payments (lump sum payments are normally Pay for Performance earnings, but could also encompass a lump sum merit) or incentive pay determined as of September 15th of each year divided by 12 months, as reported by the Employer for work performed for the Employer as in effect just prior to the date Disability begins. It does not include earnings received from commissions, overtime pay or other extra compensation. Covered Earnings are determined initially on the date an Employee applies for coverage. A change in the amount of Covered Earnings is effective as of September 15th of each year, if the Employer gives us written notice of the change and the required premium is paid.

Any increase in an Employee's Covered Earnings will not be effective during a period of continuous Disability.

Elimination Period

Core Benefit:	6 months
Optional Benefit 1:	6 months
Optional Benefit 2:	6 months

Gross Disability Benefit

Core Benefit:	50%
Optional Benefit 1:	60%
Optional Benefit 2:	66.67%

The lesser the percent of an Employee's monthly Covered Earnings listed above, rounded to the nearest dollar, or the Maximum Disability Benefit.

Maximum Disability Benefit

Core Benefit:	\$5,000 per month
Optional Benefit 1:	\$10,000 per month
Optional Benefit 2:	\$20,000 per month

Minimum Disability Benefit

Core Benefit:	\$100 per month
Optional Benefit 1:	\$100 per month
Optional Benefit 2:	\$100 per month

Disability Benefit Calculation

The Disability Benefit payable to the Employee is figured using the Gross Disability Benefit, Other Income Benefits, calculation of Optimum Ability and the Return to Work Incentive. Monthly Benefits are based on a 30-day month. The Disability Benefit will be prorated if payable for any period less than a month.

During any month the Employee has no Disability Earnings, the monthly benefit payable is the Gross Disability Benefit less Other Income Benefits, and less the calculation for Optimum Ability. During any month the Employee has Disability Earnings, benefits are determined under the Return to Work Incentive. Benefits will not be less than the minimum benefit shown in the Schedule of Benefits except as provided under the section Minimum Benefit.

"Other Income Benefits" means any benefits listed in the Other Income Benefits provision that an Employee receives on his or her own behalf or for dependents, or which the Employee's dependents receive because of the Employee's entitlement to Other Income Benefits.

Return to Work Incentive

During any month the Employee has Disability Earnings, his or her benefits will be calculated as follows.

The Employee's monthly benefit payable will be calculated as follows during the first 24 months disability benefits are payable and the Employee has Disability Earnings:

1. Add the Employee's Gross Disability Benefit and Disability Earnings.
2. Compare the sum from 1. to the Employee's Indexed Earnings.
3. If the sum from 1. exceeds 100% of the Employee's Indexed Earnings, then subtract the Indexed Earnings from the sum in 1.
4. The Employee's Gross Disability Benefit will be reduced by the difference from 3., as well as by Other Income Benefits and the calculation for Optimum Ability.
5. If the sum from 1. does not exceed 100% of the Employee's Indexed Earnings, the Employee's Gross Disability Benefit will be reduced by Other Income Benefits and the calculation for Optimum Ability.

After disability benefits are payable for 24 months, the monthly benefit payable is the Gross Disability Benefit reduced by Other Income Benefits, the calculation for Optimum Ability and 50% of Disability Earnings.

No Disability Benefits will be paid, and insurance will end if the Insurance Company determines the Employee is able to work under a modified work arrangement and he or she refuses to do so without Good Cause.

Calculation for Optimum Ability

The calculation for Optimum Ability is the earnings the Employee could earn if working at Optimum Ability, minus Disability Earnings.

Additional Benefits

Survivor Benefit

Benefit Waiting Period:	After 6 Monthly Benefits are payable.
Amount of Benefit:	100% of the sum of the last full Disability Benefit plus the amount of any Disability Earnings by which the benefit had been reduced for that month.
Maximum Benefit Period	A single lump sum payment equal to 6 monthly Survivor Benefits.

Maximum Benefit Period

Age When Disability Begins

Age 62 or under

Age 63

Age 64

Age 65

Age 66

Age 67

Age 68

Age 69 or older

Maximum Benefit Period

The Employee's 65th birthday or the date the 42nd Monthly Benefit is payable, if later.

The date the 36th Monthly Benefit is payable.

The date the 30th Monthly Benefit is payable.

The date the 24th Monthly Benefit is payable.

The date the 21st Monthly Benefit is payable.

The date the 18th Monthly Benefit is payable.

The date the 15th Monthly Benefit is payable.

The date the 12th Monthly Benefit is payable.

Initial Premium Rates

Core Benefit:	\$.175 per \$100 of Covered Payroll to a maximum of \$10,000
Optional Benefit 1:	\$.357 per \$100 of Covered Payroll to a maximum of \$16,666
Optional Benefit 2:	\$.49 per \$100 of Covered Payroll to a maximum of \$29,998

Covered Payroll for an Employee will mean his or her Covered Earnings for the insurance month prior to the date the determination is made. However, an Employee's Covered Payroll will not include any part of his or her monthly Covered Earnings which exceed the maximum amount as indicated above.

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SCHEDULE OF BENEFITS FOR CLASS 3

Eligibility Waiting Period

For Employees hired on or before the Policy Effective Date: After 1 month of Active Service

For Employees hired after the Policy Effective Date: After 1 month of Active Service

Definition of Disability/Disabled

The Employee is considered Disabled if, solely because of Injury or Sickness, he or she is:

1. unable to perform the material duties of his or her Regular Occupation; and
2. unable to earn 80% or more of his or her Indexed Earnings from working in his or her Regular Occupation.

The Insurance Company will require proof of earnings and continued Disability.

Definition of Optimum Ability

While benefits are payable, the greatest extent of work the Employee is able to do in his or her Regular Occupation.

The Employee's ability to work is based on the following:

1. medical evidence submitted by the Employee;
2. consultation with the Employee's Physician; and
3. evaluation of the Employee's ability to work by not more than three Independent Experts if required by the Insurance Company.

There is no cost to the Employee for evaluation by an Independent Expert when required by the Insurance Company to determine Optimum Ability.

The Independent Expert must be:

1. licensed, registered or certified as required by the laws of the state in which the evaluation is made; and
2. acting within the scope of that license, registration or certificate.

Definition of Covered Earnings

Covered Earnings (flex pay) is the Employee's annual rate of pay plus the three year average of any lump sum payments (lump sum payments are normally Pay for Performance earnings, but could also encompass a lump sum merit) or incentive pay determined as of September 15th of each year divided by 12 months, as reported by the Employer for work performed for the Employer as in effect just prior to the date Disability begins. It does not include earnings received from commissions, overtime pay or other extra compensation. Covered Earnings are determined initially on the date an Employee applies for coverage. A change in the amount of Covered Earnings is effective as of September 15th of each year, if the Employer gives us written notice of the change and the required premium is paid.

Any increase in an Employee's Covered Earnings will not be effective during a period of continuous Disability.

Elimination Period

Core Benefit:	6 months
Optional Benefit 1:	6 months
Optional Benefit 2:	6 months

Gross Disability Benefit

Core Benefit:	50%
Optional Benefit 1:	60%
Optional Benefit 2:	66.67%

The lesser the percent of an Employee's monthly Covered Earnings listed above, rounded to the nearest dollar, or the Maximum Disability Benefit.

Maximum Disability Benefit

Core Benefit:	\$5,000 per month
Optional Benefit 1:	\$10,000 per month
Optional Benefit 2:	\$20,000 per month

Minimum Disability Benefit

Core Benefit:	\$100 per month
Optional Benefit 1:	\$100 per month
Optional Benefit 2:	\$100 per month

Disability Benefit Calculation

The Disability Benefit payable to the Employee is figured using the Gross Disability Benefit, Other Income Benefits, calculation of Optimum Ability and the Return to Work Incentive. Monthly Benefits are based on a 30-day month. The Disability Benefit will be prorated if payable for any period less than a month.

During any month the Employee has no Disability Earnings, the monthly benefit payable is the Gross Disability Benefit less Other Income Benefits, and less the calculation for Optimum Ability. During any month the Employee has Disability Earnings, benefits are determined under the Return to Work Incentive. Benefits will not be less than the minimum benefit shown in the Schedule of Benefits except as provided under the section Minimum Benefit.

"Other Income Benefits" means any benefits listed in the Other Income Benefits provision that an Employee receives on his or her own behalf or for dependents, or which the Employee's dependents receive because of the Employee's entitlement to Other Income Benefits.

Return to Work Incentive

During any month the Employee has Disability Earnings, his or her benefits will be calculated as follows.

The Employee's monthly benefit payable will be calculated as follows during the first 24 months disability benefits are payable and the Employee has Disability Earnings:

1. Add the Employee's Gross Disability Benefit and Disability Earnings.
2. Compare the sum from 1. to the Employee's Indexed Earnings.
3. If the sum from 1. exceeds 100% of the Employee's Indexed Earnings, then subtract the Indexed Earnings from the sum in 1.
4. The Employee's Gross Disability Benefit will be reduced by the difference from 3., as well as by Other Income Benefits and the calculation for Optimum Ability.
5. If the sum from 1. does not exceed 100% of the Employee's Indexed Earnings, the Employee's Gross Disability Benefit will be reduced by Other Income Benefits and the calculation for Optimum Ability.

After disability benefits are payable for 24 months, the monthly benefit payable is the Gross Disability Benefit reduced by Other Income Benefits, the calculation for Optimum Ability and 50% of Disability Earnings.

No Disability Benefits will be paid, and insurance will end if the Insurance Company determines the Employee is able to work under a modified work arrangement and he or she refuses to do so without Good Cause.

Calculation for Optimum Ability

The calculation for Optimum Ability is the earnings the Employee could earn if working at Optimum Ability, minus Disability Earnings.

Additional Benefits

Survivor Benefit

Benefit Waiting Period:	After 6 Monthly Benefits are payable.
Amount of Benefit:	100% of the sum of the last full Disability Benefit plus the amount of any Disability Earnings by which the benefit had been reduced for that month.
Maximum Benefit Period	A single lump sum payment equal to 6 monthly Survivor Benefits.

Maximum Benefit Period

Age When Disability Begins

Age 62 or under

Age 63

Age 64

Age 65

Age 66

Age 67

Age 68

Age 69 or older

Maximum Benefit Period

The Employee's 65th birthday or the date the 42nd Monthly Benefit is payable, if later.

The date the 36th Monthly Benefit is payable.

The date the 30th Monthly Benefit is payable.

The date the 24th Monthly Benefit is payable.

The date the 21st Monthly Benefit is payable.

The date the 18th Monthly Benefit is payable.

The date the 15th Monthly Benefit is payable.

The date the 12th Monthly Benefit is payable.

Initial Premium Rates

Core Benefit:	\$.175 per \$100 of Covered Payroll to a maximum of \$10,000
Optional Benefit 1:	\$.357 per \$100 of Covered Payroll to a maximum of \$16,666
Optional Benefit 2:	\$.49 per \$100 of Covered Payroll to a maximum of \$29,998

Covered Payroll for an Employee will mean his or her Covered Earnings for the insurance month prior to the date the determination is made. However, an Employee's Covered Payroll will not include any part of his or her monthly Covered Earnings which exceed the maximum amount as indicated above.

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SCHEDULE OF BENEFITS FOR CLASS 4

Eligibility Waiting Period

For Employees hired on or before the Policy Effective Date: After 1 month of Active Service

For Employees hired after the Policy Effective Date: After 1 month of Active Service

Definition of Disability/Disabled

The Employee is considered Disabled if, solely because of Injury or Sickness, he or she is:

1. unable to perform the material duties of his or her Regular Occupation; and
2. unable to earn 80% or more of his or her Indexed Earnings from working in his or her Regular Occupation.

The Insurance Company will require proof of earnings and continued Disability.

Definition of Optimum Ability

While benefits are payable, the greatest extent of work the Employee is able to do in his or her Regular Occupation.

The Employee's ability to work is based on the following:

1. medical evidence submitted by the Employee;
2. consultation with the Employee's Physician; and
3. evaluation of the Employee's ability to work by not more than three Independent Experts if required by the Insurance Company.

There is no cost to the Employee for evaluation by an Independent Expert when required by the Insurance Company to determine Optimum Ability.

The Independent Expert must be:

1. licensed, registered or certified as required by the laws of the state in which the evaluation is made; and
2. acting within the scope of that license, registration or certificate.

Definition of Covered Earnings

Covered Earnings means an Employee's wage or salary as reported by the Employer for work performed for the Employer as in effect just prior to the date Disability begins. Covered Earnings are determined initially on the date an Employee applies for coverage. A change in the amount of Covered Earnings is effective on the Annual as of September 15 the change, if the Employer gives us written notice of the change and the required premium is paid.

It does not include amounts received as bonus, commissions, overtime pay or other extra compensation.

Any increase in an Employee's Covered Earnings will not be effective during a period of continuous Disability.

Elimination Period

Core Benefit:	6 months
Optional Benefit 1:	6 months
Optional Benefit 2:	6 months

Gross Disability Benefit

Core Benefit:	50%
Optional Benefit 1:	60%
Optional Benefit 2:	66.67%

The lesser of the percent of an Employee's monthly Covered Earnings listed above, rounded to the nearest dollar, or the Maximum Disability Benefit.

Maximum Disability Benefit

Core Benefit:	\$5,000 per month
Optional Benefit 1:	\$10,000 per month
Optional Benefit 2:	\$20,000 per month

Minimum Disability Benefit

Core Benefit:	\$100 per month
Optional Benefit 1:	\$100 per month
Optional Benefit 2:	\$100 per month

Disability Benefit Calculation

The Disability Benefit payable to the Employee is figured using the Gross Disability Benefit, Other Income Benefits, calculation of Optimum Ability and the Return to Work Incentive. Monthly Benefits are based on a 30-day month. The Disability Benefit will be prorated if payable for any period less than a month.

During any month the Employee has no Disability Earnings, the monthly benefit payable is the Gross Disability Benefit less Other Income Benefits, and less the calculation for Optimum Ability. During any month the Employee has Disability Earnings, benefits are determined under the Return to Work Incentive. Benefits will not be less than the minimum benefit shown in the Schedule of Benefits except as provided under the section Minimum Benefit.

"Other Income Benefits" means any benefits listed in the Other Income Benefits provision that an Employee receives on his or her own behalf or for dependents, or which the Employee's dependents receive because of the Employee's entitlement to Other Income Benefits.

Return to Work Incentive

During any month the Employee has Disability Earnings, his or her benefits will be calculated as follows.

The Employee's monthly benefit payable will be calculated as follows during the first 24 months disability benefits are payable and the Employee has Disability Earnings:

1. Add the Employee's Gross Disability Benefit and Disability Earnings.
2. Compare the sum from 1. to the Employee's Indexed Earnings.
3. If the sum from 1. exceeds 100% of the Employee's Indexed Earnings, then subtract the Indexed Earnings from the sum in 1.
4. The Employee's Gross Disability Benefit will be reduced by the difference from 3., as well as by Other Income Benefits and the calculation for Optimum Ability.
5. If the sum from 1. does not exceed 100% of the Employee's Indexed Earnings, the Employee's Gross Disability Benefit will be reduced by Other Income Benefits and the calculation for Optimum Ability.

After disability benefits are payable for 24 months, the monthly benefit payable is the Gross Disability Benefit reduced by Other Income Benefits, the calculation for Optimum Ability and 50% of Disability Earnings.

No Disability Benefits will be paid, and insurance will end if the Insurance Company determines the Employee is able to work under a modified work arrangement and he or she refuses to do so without Good Cause.

Calculation for Optimum Ability

The calculation for Optimum Ability is the earnings the Employee could earn if working at Optimum Ability, minus Disability Earnings.

Additional Benefits

Survivor Benefit

Benefit Waiting Period:	After 6 Monthly Benefits are payable.
Amount of Benefit:	100% of the sum of the last full Disability Benefit plus the amount of any Disability Earnings by which the benefit had been reduced for that month.
Maximum Benefit Period	A single lump sum payment equal to 6 monthly Survivor Benefits.

Maximum Benefit Period

Age When Disability Begins

Age 62 or under

Age 63

Age 64

Age 65

Age 66

Age 67

Age 68

Age 69 or older

Maximum Benefit Period

The Employee's 65th birthday or the date the 42nd Monthly Benefit is payable, if later.

The date the 36th Monthly Benefit is payable.

The date the 30th Monthly Benefit is payable.

The date the 24th Monthly Benefit is payable.

The date the 21st Monthly Benefit is payable.

The date the 18th Monthly Benefit is payable.

The date the 15th Monthly Benefit is payable.

The date the 12th Monthly Benefit is payable.

Initial Premium Rates

Core Benefit:	\$.145 per \$100 of Covered Payroll to a maximum of \$10,000
Optional Benefit 1:	\$.274 per \$100 of Covered Payroll to a maximum of \$16,666
Optional Benefit 2:	\$.413 per \$100 of Covered Payroll to a maximum of \$29,998

Covered Payroll for an Employee will mean his or her Covered Earnings for the insurance month prior to the date the determination is made. However, an Employee's Covered Payroll will not include any part of his or her monthly Covered Earnings which exceed the maximum amount as indicated above.

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SCHEDULE OF BENEFITS FOR CLASS 5

Eligibility Waiting Period

For Employees hired on or before the Policy Effective Date: After 1 month of Active Service

For Employees hired after the Policy Effective Date: After 1 month of Active Service

Definition of Disability/Disabled

The Employee is considered Disabled if, solely because of Injury or Sickness, he or she is:

1. unable to perform the material duties of his or her Regular Occupation; and
2. unable to earn 80% or more of his or her Indexed Earnings from working in his or her Regular Occupation.

The Insurance Company will require proof of earnings and continued Disability.

Definition of Optimum Ability

While benefits are payable, the greatest extent of work the Employee is able to do in his or her Regular Occupation.

The Employee's ability to work is based on the following:

1. medical evidence submitted by the Employee;
2. consultation with the Employee's Physician; and
3. evaluation of the Employee's ability to work by not more than three Independent Experts if required by the Insurance Company.

There is no cost to the Employee for evaluation by an Independent Expert when required by the Insurance Company to determine Optimum Ability.

The Independent Expert must be:

1. licensed, registered or certified as required by the laws of the state in which the evaluation is made; and
2. acting within the scope of that license, registration or certificate.

Definition of Covered Earnings

Covered Earnings means an Employee's wage or salary as reported by the Employer for work performed for the Employer as in effect just prior to the date Disability begins. Covered Earnings are determined initially on the date an Employee applies for coverage. A change in the amount of Covered Earnings is effective on the Annual as of September 15 the change, if the Employer gives us written notice of the change and the required premium is paid.

It does not include amounts received as bonus, commissions, overtime pay or other extra compensation.

Any increase in an Employee's Covered Earnings will not be effective during a period of continuous Disability.

Elimination Period

Core Benefit:	6 months
Optional Benefit 1:	6 months
Optional Benefit 2:	6 months

Gross Disability Benefit

Core Benefit:	50%
Optional Benefit 1:	60%
Optional Benefit 2:	66.67%

The lesser of the percent of an Employee's monthly Covered Earnings listed above, rounded to the nearest dollar, or the Maximum Disability Benefit.

Maximum Disability Benefit

Core Benefit:	\$5,000 per month
Optional Benefit 1:	\$10,000 per month
Optional Benefit 2:	\$20,000 per month

Minimum Disability Benefit

Core Benefit:	\$100 per month
Optional Benefit 1:	\$100 per month
Optional Benefit 2:	\$100 per month

Disability Benefit Calculation

The Disability Benefit payable to the Employee is figured using the Gross Disability Benefit, Other Income Benefits, calculation of Optimum Ability and the Return to Work Incentive. Monthly Benefits are based on a 30-day month. The Disability Benefit will be prorated if payable for any period less than a month.

During any month the Employee has no Disability Earnings, the monthly benefit payable is the Gross Disability Benefit less Other Income Benefits, and less the calculation for Optimum Ability. During any month the Employee has Disability Earnings, benefits are determined under the Return to Work Incentive. Benefits will not be less than the minimum benefit shown in the Schedule of Benefits except as provided under the section Minimum Benefit.

"Other Income Benefits" means any benefits listed in the Other Income Benefits provision that an Employee receives on his or her own behalf or for dependents, or which the Employee's dependents receive because of the Employee's entitlement to Other Income Benefits.

Return to Work Incentive

During any month the Employee has Disability Earnings, his or her benefits will be calculated as follows.

The Employee's monthly benefit payable will be calculated as follows during the first 24 months disability benefits are payable and the Employee has Disability Earnings:

1. Add the Employee's Gross Disability Benefit and Disability Earnings.
2. Compare the sum from 1. to the Employee's Indexed Earnings.
3. If the sum from 1. exceeds 100% of the Employee's Indexed Earnings, then subtract the Indexed Earnings from the sum in 1.
4. The Employee's Gross Disability Benefit will be reduced by the difference from 3., as well as by Other Income Benefits and the calculation for Optimum Ability.
5. If the sum from 1. does not exceed 100% of the Employee's Indexed Earnings, the Employee's Gross Disability Benefit will be reduced by Other Income Benefits and the calculation for Optimum Ability.

After disability benefits are payable for 24 months, the monthly benefit payable is the Gross Disability Benefit reduced by Other Income Benefits, the calculation for Optimum Ability and 50% of Disability Earnings.

No Disability Benefits will be paid, and insurance will end if the Insurance Company determines the Employee is able to work under a modified work arrangement and he or she refuses to do so without Good Cause.

Calculation for Optimum Ability

The calculation for Optimum Ability is the earnings the Employee could earn if working at Optimum Ability, minus Disability Earnings.

Additional Benefits

Survivor Benefit

Benefit Waiting Period:	After 6 Monthly Benefits are payable.
Amount of Benefit:	100% of the sum of the last full Disability Benefit plus the amount of any Disability Earnings by which the benefit had been reduced for that month.
Maximum Benefit Period	A single lump sum payment equal to 6 monthly Survivor Benefits.

Maximum Benefit Period

Age When Disability Begins

Age 62 or under

Age 63

Age 64

Age 65

Age 66

Age 67

Age 68

Age 69 or older

Maximum Benefit Period

The Employee's 65th birthday or the date the 42nd Monthly Benefit is payable, if later.

The date the 36th Monthly Benefit is payable.

The date the 30th Monthly Benefit is payable.

The date the 24th Monthly Benefit is payable.

The date the 21st Monthly Benefit is payable.

The date the 18th Monthly Benefit is payable.

The date the 15th Monthly Benefit is payable.

The date the 12th Monthly Benefit is payable.

Initial Premium Rates

Core Benefit:	\$.145 per \$100 of Covered Payroll to a maximum of \$10,000
Optional Benefit 1:	\$.274 per \$100 of Covered Payroll to a maximum of \$16,666
Optional Benefit 2:	\$.413 per \$100 of Covered Payroll to a maximum of \$29,998

Covered Payroll for an Employee will mean his or her Covered Earnings for the insurance month prior to the date the determination is made. However, an Employee's Covered Payroll will not include any part of his or her monthly Covered Earnings which exceed the maximum amount as indicated above.

TL-004774

Hayden, Gloria J 250

From: on behalf of Pittsburgh CSU 250
To: Scibetta, Michael A 250
Subject: FW: Yellow Roadway Policy Revision - FLK 980016
Importance: High

Updated attachments below.

Gloria Hayden,
Coverage Coordinator
1600 West Carson Street, Gateway View Plaza
Suite 300
Pittsburgh, PA 15219
412.402.3130
412.402.3501fax
8.562.3130 network

PITTSBURGH
JUN 22 2004
Group Life & Disability
Coverage Unit

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-----Original Message-----

From: Suchodolski, Justina C TL23A
Sent: Monday, June 21, 2004 5:04 PM
To: Coley, Sharonda 1385
Cc: Profile, FCO 212, dalsro 212E; Hayden, Gloria J 250; Edwards, Steven 212; Pittsburgh CSU 250; Urland, Jill A 725; Andrade, Billie 212
Subject: RE: Yellow Roadway Policy Revision - FLK 980016
Importance: High

Per your request below, here is the revised policy and Class 2 cert for the above.



flk980016c02.pdf
(171 KB)



flk980016p.pdf
(183 KB)

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-----Original Message-----

From: Coley, Sharonda 1385
Sent: Monday, June 21, 2004 12:03 PM
To: Suchodolski, Justina C TL23A
Subject: Yellow Roadway Policy Revision
Importance: High

RE: FLK980016

Hi Tina - Per our conversation - I just added a comment in ACQ that the optional benefit does not apply to the Class 2 Part-time employees. Can you please revise the policy and Class 2 cert as soon as you get a moment. I appreciate your assistance. Thanks, Sharonda

**GENERAL PURPOSES AND LIMITATIONS OF THE
KANSAS LIFE AND HEALTH INSURANCE
GUARANTY ASSOCIATION**
K.S.A. 40-3001, et. seq

PITTSBURGH

JUN 22 2004

DISCLAIMER

Group Life & Disability

Coverage Unit

The Kansas Life and Health Insurance Guaranty Association may not provide coverage for all or a portion of this policy. If coverage is provided, it may be subject to substantial limitations or exclusions, and is dependent on continued residence in Kansas. Therefore, you should not rely upon coverage by the Kansas Life and Health Guaranty Association in selecting an insurance company or in selecting an insurance policy. Insurance companies and their agents are prohibited by law from using the existence of the Kansas Life and Health Guaranty Association in selling you any form of an insurance policy or to induce you to purchase any form of an insurance policy. Either the Kansas Life and Health Guaranty Association or the Kansas Insurance Department will respond to any questions you may have regarding this document.

**The Kansas Life and Health
Insurance Guaranty Association
5867 SW 29th Street
Topeka, KS 66614-2464**

**The Kansas Insurance Department
420 Southwest 9th Street
Topeka, KS 66612-1678**

This is a summary of the basic provisions of the Kansas Life and Health Insurance Guaranty Association Act. It is only a summary, and does not provide an in depth analysis of that act. Nothing in this summary modifies the rights of persons who are protected by the act, or the rights or duties of the association.

The purpose of the Kansas Life and Health Insurance Guaranty Association Act is to protect certain individuals who purchase life insurance, annuities or health insurance in Kansas. The act provides for the establishment of a funding mechanism to pay benefits or provide insurance coverage to individuals when a life or health insurance company is unable to meet its obligations by reason of insolvency or financial impairment.

However, not all individuals with a right to recover under life or health insurance policies are protected by the act. An individual is only provided protection when:

1. the individual, regardless of where they reside, except for the non-resident certificate holders; under group policies or contracts, is the beneficiary, assignee or payee of covered policy or contractholder,
2. the individual policy or contractholder is a resident of the state of Kansas,
3. the individual is not a resident of the state of Kansas, but only with respect to an annuity contract which has been awarded pursuant to a judgement or settlement agreement in a medical malpractice liability action,
4. the individual is not a resident of the state of Kansas, but only under all of the following conditions:
 - a. the impaired or insolvent insurer was a Kansas domestic insurer; and
 - b. the insurer never had a license to do business in the state in which the individual resides; and
 - c. the state in which the individual resides has an association similar to this state's; and
 - d. the individual is not eligible for coverage by the association of the state in which the individual resides.

Additionally, the association may not provide coverage for the entire amount the individual expects to receive from the policy. The association does not provide coverage for any portion of the policy where the individual has assumed the risk, for any policy of reinsurance, for interest rates that exceed a specified average rate, for employers' plans that are self funded, for parts of plans that provide dividends or credits in connection with the administration of the policy, for policies sold by companies not authorized to do business in Kansas, or for any unallocated annuity contract. Also, the association will not provide coverage where any guaranty protection is provided to the individual under the laws of the insolvent or impaired insurer's state of domicile.

The act also limits the amount the association is obligated to pay individuals on various policies. The association does not pay more than the amount of the contractual obligation of the insurance company. Regardless of the number of policies or contracts the association is not obligated to pay amounts over \$300,000 in life insurance death benefits; \$100,000 in net cash surrender and net cash withdrawal values for life insurance; \$100,000 in health insurance benefits, including any net cash surrender and net cash withdrawal values; \$100,000 in the present value of annuity benefits, including net cash surrender and net cash withdrawal values, unless the annuity contract is awarded pursuant to a judgement or settlement agreement in a medical malpractice liability action; or more than a \$300,000 in the aggregate for the above coverages with respect to any one life.

PITTSBURGH
JUN 22 2004
Group Life & Disability
Coverage Unit

LIFE INSURANCE COMPANY OF NORTH AMERICA
1601 CHESTNUT STREET
PHILADELPHIA, PA 19192-2235
(800) 732-1603 TDD (800) 552-5744
A STOCK INSURANCE COMPANY

GROUP POLICY

POLICYHOLDER: Yellow Roadway Corporation
POLICY NUMBER: FLK-980016
POLICY EFFECTIVE DATE: June 1, 2004
POLICY ANNIVERSARY DATE: June 1

This Policy describes the terms and conditions of coverage. It is issued in Kansas and shall be governed by its laws. The Policy goes into effect on the Policy Effective Date, 12:01 a.m. at the Policyholder's address.

In return for the required premium, the Insurance Company and the Policyholder have agreed to all the terms of this Policy.

Susan L. Cooper

Susan L. Cooper, Secretary

Gregory H. Wolf

Gregory H. Wolf, President

TL-004700

O/O v-2

PITTSBURGH
JUN 22 2004
Group Life & Disability
Coverage Unit

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SCHEDULE OF BENEFITS

Premium Due Date

Premiums are due in arrears on the date coinciding with the day of the Policy Anniversary Date or the last day of the month, if earlier.

Classes of Eligible Employees

On the pages following the definition of eligible employees there is a Schedule of Benefits for each Class of Eligible Employees listed below. For an explanation of these benefits, please see the Description of Benefits provision.

If an Employee is eligible under one Class of Eligible Employees and later becomes eligible under a different Class of Eligible Employees, changes in his or her insurance due to the class change will be effective on the next premium due date following the change in class.

- | | |
|---------|---|
| Class 1 | All active, Full-time non-bargaining Employees of the Employer regularly working a minimum of 40 hours per week, excluding Corporate Officers. |
| Class 2 | All active, Part-time non-bargaining Employees of the Employer regularly working a minimum of 20 hours per week, excluding Corporate Officers. |
| Class 3 | All active, Full-time Employees who are Corporate Officers of the Employer regularly working a minimum of 40 hours per week. (Corporate Officers are defined as job grades 61 and above.) |

SCHEDULE OF BENEFITS FOR CLASS 1

Eligibility Waiting Period

For Employees hired on or before the Policy Effective Date: After 1 month of Active Service

For Employees hired after the Policy Effective Date: After 1 month of Active Service

Definition of Disability/Disabled

The Employee is considered Disabled if, solely because of Injury or Sickness, he or she is:

1. unable to perform the material duties of his or her Regular Occupation; and
2. unable to earn 80% or more of his or her Indexed Earnings from working in his or her Regular Occupation.

After Disability Benefits have been payable for 24 months, the Employee is considered Disabled if, solely due to Injury or Sickness, he or she is:

1. unable to perform the material duties of any occupation for which he or she is, or may reasonably become, qualified based on education, training or experience; and
2. unable to earn 80% or more of his or her Indexed Earnings.

The Insurance Company will require proof of earnings and continued Disability.

Definition of Optimum Ability

1. for the first 24 months that benefits are payable, the greatest extent of work the Employee is able to do in his or her Regular Occupation;
2. after 24 months, the greatest extent of work the Employee is able to do in any occupation based on education, training or experience.

The Employee's ability to work is based on the following:

1. medical evidence submitted by the Employee;
2. consultation with the Employee's Physician; and
3. evaluation of the Employee's ability to work by not more than three Independent Experts if required by the Insurance Company.

There is no cost to the Employee for evaluation by an Independent Expert when required by the Insurance Company to determine Optimum Ability.

The Independent Expert must be:

1. licensed, registered or certified as required by the laws of the state in which the evaluation is made; and
2. acting within the scope of that license, registration or certificate.

Definition of Covered Earnings

Covered Earnings (flex pay) is the Employee's annual rate of pay plus the three year average of any lump sum payments (lump sum payments are normally Pay for Performance earnings, but could also encompass a lump sum merit) or incentive pay determined as of September 15th of each year divided by 12 months, as reported by the Employer for work performed for the Employer as in effect just prior to the date Disability begins. It does not include earnings received from commissions, overtime pay or other extra compensation. Covered Earnings are determined initially on the date an Employee applies for coverage. A change in the amount of Covered Earnings is effective as of September 15th of each year, if the Employer gives us written notice of the change and the required premium is paid.

Any increase in an Employee's Covered Earnings will not be effective during a period of continuous Disability.

Elimination Period

Core Benefit:	6 months
Optional Benefit:	6 months

Gross Disability Benefit

Core Benefit:	60% of the Disabled Employee's first \$8,333 of monthly Covered Earnings, plus 40% of the Disabled Employee's monthly Covered Earnings in excess of \$8,333, to a monthly maximum of \$10,000.
Optional Benefit:	70% of the Disabled Employee's first \$8,333 of monthly Covered Earnings, plus 40% of the Disabled Employee's monthly Covered Earnings in excess of \$8,333, to a monthly maximum of \$10,833.

Maximum Disability Benefit

Core Benefit:	\$10,000 per month
Optional Benefit:	\$10,833 per month

Minimum Disability Benefit

Core Benefit:	\$50 per month
Optional Benefit:	\$50 per month

Disability Benefit Calculation

The Disability Benefit payable to the Employee is figured using the Gross Disability Benefit, Other Income Benefits, calculation of Optimum Ability and the Return to Work Incentive. Monthly Benefits are based on a 30-day month. The Disability Benefit will be prorated if payable for any period less than a month.

During any month the Employee has no Disability Earnings, the monthly benefit payable is the Gross Disability Benefit less Other Income Benefits, and less the calculation for Optimum Ability. During any month the Employee has Disability Earnings, benefits are determined under the Return to Work Incentive. Benefits will not be less than the minimum benefit shown in the Schedule of Benefits except as provided under the section Minimum Benefit.

"Other Income Benefits" means any benefits listed in the Other Income Benefits provision that an Employee receives on his or her own behalf or for dependents, or which the Employee's dependents receive because of the Employee's entitlement to Other Income Benefits.

Return to Work Incentive

During any month the Employee has Disability Earnings, his or her benefits will be calculated as follows.

The Employee's monthly benefit payable will be calculated as follows during the first 24 months disability benefits are payable and the Employee has Disability Earnings:

1. Add the Employee's Gross Disability Benefit and Disability Earnings.
2. Compare the sum from 1. to the Employee's Indexed Earnings.
3. If the sum from 1. exceeds 100% of the Employee's Indexed Earnings, then subtract the Indexed Earnings from the sum in 1.
4. The Employee's Gross Disability Benefit will be reduced by the difference from 3., as well as by Other Income Benefits and the calculation for Optimum Ability.

5. If the sum from 1. does not exceed 100% of the Employee's Indexed Earnings, the Employee's Gross Disability Benefit will be reduced by Other Income Benefits and the calculation for Optimum Ability.

After disability benefits are payable for 24 months, the monthly benefit payable is the Gross Disability Benefit reduced by Other Income Benefits, the calculation for Optimum Ability and 50% of Disability Earnings.

No Disability Benefits will be paid, and insurance will end if the Insurance Company determines the Employee is able to work under a modified work arrangement and he or she refuses to do so without Good Cause.

Calculation for Optimum Ability

The calculation for Optimum Ability is the earnings the Employee could earn if working at Optimum Ability, minus Disability Earnings.

Additional Benefits

Survivor Benefit

Benefit Waiting Period:	After 6 Monthly Benefits are payable.
Amount of Benefit:	100% of the sum of the last full Disability Benefit plus the amount of any Disability Earnings by which the benefit had been reduced for that month.
Maximum Benefit Period	A single lump sum payment equal to 6 monthly Survivor Benefits.

Maximum Benefit Period

Age When Disability Begins

Age 62 or under

Age 63

Age 64

Age 65

Age 66

Age 67

Age 68

Age 69 or older

Maximum Benefit Period

The Employee's 65th birthday or the date the 42nd Monthly Benefit is payable, if later.

The date the 36th Monthly Benefit is payable.

The date the 30th Monthly Benefit is payable.

The date the 24th Monthly Benefit is payable.

The date the 21st Monthly Benefit is payable.

The date the 18th Monthly Benefit is payable.

The date the 15th Monthly Benefit is payable.

The date the 12th Monthly Benefit is payable.

Initial Premium Rates

Core Benefit:	\$.357 per \$100 of Covered Payroll to a maximum of \$20,833
Optional Benefit:	\$.524 per \$100 of Covered Payroll to a maximum of \$20,833

Covered Payroll for an Employee will mean his or her Covered Earnings for the insurance month prior to the date the determination is made. However, an Employee's Covered Payroll will not include any part of his or her monthly Covered Earnings which exceed the maximum amount as indicated above.

TL-004774

SCHEDULE OF BENEFITS FOR CLASS 2

Eligibility Waiting Period

For Employees hired on or before the Policy Effective Date: After 1 month of Active Service

For Employees hired after the Policy Effective Date: After 1 month of Active Service

Definition of Disability/Disabled

The Employee is considered Disabled if, solely because of Injury or Sickness, he or she is:

1. unable to perform the material duties of his or her Regular Occupation; and
2. unable to earn 80% or more of his or her Indexed Earnings from working in his or her Regular Occupation.

After Disability Benefits have been payable for 24 months, the Employee is considered Disabled if, solely due to Injury or Sickness, he or she is:

1. unable to perform the material duties of any occupation for which he or she is, or may reasonably become, qualified based on education, training or experience; and
2. unable to earn 80% or more of his or her Indexed Earnings.

The Insurance Company will require proof of earnings and continued Disability.

Definition of Optimum Ability

1. for the first 24 months that benefits are payable, the greatest extent of work the Employee is able to do in his or her Regular Occupation;
2. after 24 months, the greatest extent of work the Employee is able to do in any occupation based on education, training or experience.

The Employee's ability to work is based on the following:

1. medical evidence submitted by the Employee;
2. consultation with the Employee's Physician; and
3. evaluation of the Employee's ability to work by not more than three Independent Experts if required by the Insurance Company.

There is no cost to the Employee for evaluation by an Independent Expert when required by the Insurance Company to determine Optimum Ability.

The Independent Expert must be:

1. licensed, registered or certified as required by the laws of the state in which the evaluation is made; and
2. acting within the scope of that license, registration or certificate.

Definition of Covered Earnings

Covered Earnings (flex pay) is the Employee's annual rate of pay plus the three year average of any lump sum payments (lump sum payments are normally Pay for Performance earnings, but could also encompass a lump sum merit) or incentive pay determined as of September 15th of each year divided by 12 months, as reported by the Employer for work performed for the Employer as in effect just prior to the date Disability begins. It does not include earnings received from commissions, overtime pay or other extra compensation. Covered Earnings are determined initially on the date an Employee applies for coverage. A change in the amount of Covered Earnings is effective as of September 15th of each year, if the Employer gives us written notice of the change and the required premium is paid.

Any increase in an Employee's Covered Earnings will not be effective during a period of continuous Disability.

Elimination Period	6 months
Gross Disability Benefit	60% of the Disabled Employee's first \$8,333 of monthly Covered Earnings, plus 40% of the Disabled Employee's monthly Covered Earnings in excess of \$8,333, to a monthly maximum of \$10,000.
Maximum Disability Benefit	\$10,000 per month
Minimum Disability Benefit	\$50 per month

Disability Benefit Calculation

The Disability Benefit payable to the Employee is figured using the Gross Disability Benefit, Other Income Benefits, calculation of Optimum Ability and the Return to Work Incentive. Monthly Benefits are based on a 30-day month. The Disability Benefit will be prorated if payable for any period less than a month.

During any month the Employee has no Disability Earnings, the monthly benefit payable is the Gross Disability Benefit less Other Income Benefits, and less the calculation for Optimum Ability. During any month the Employee has Disability Earnings, benefits are determined under the Return to Work Incentive. Benefits will not be less than the minimum benefit shown in the Schedule of Benefits except as provided under the section Minimum Benefit.

"Other Income Benefits" means any benefits listed in the Other Income Benefits provision that an Employee receives on his or her own behalf or for dependents, or which the Employee's dependents receive because of the Employee's entitlement to Other Income Benefits.

Return to Work Incentive

During any month the Employee has Disability Earnings, his or her benefits will be calculated as follows.

The Employee's monthly benefit payable will be calculated as follows during the first 24 months disability benefits are payable and the Employee has Disability Earnings:

1. Add the Employee's Gross Disability Benefit and Disability Earnings.
2. Compare the sum from 1. to the Employee's Indexed Earnings.
3. If the sum from 1. exceeds 100% of the Employee's Indexed Earnings, then subtract the Indexed Earnings from the sum in 1.
4. The Employee's Gross Disability Benefit will be reduced by the difference from 3., as well as by Other Income Benefits and the calculation for Optimum Ability.
5. If the sum from 1. does not exceed 100% of the Employee's Indexed Earnings, the Employee's Gross Disability Benefit will be reduced by Other Income Benefits and the calculation for Optimum Ability.

After disability benefits are payable for 24 months, the monthly benefit payable is the Gross Disability Benefit reduced by Other Income Benefits, the calculation for Optimum Ability and 50% of Disability Earnings.

No Disability Benefits will be paid, and insurance will end if the Insurance Company determines the Employee is able to work under a modified work arrangement and he or she refuses to do so without Good Cause.

Calculation for Optimum Ability

The calculation for Optimum Ability is the earnings the Employee could earn if working at Optimum Ability, minus Disability Earnings.

Additional Benefits*Survivor Benefit*

Benefit Waiting Period: After 6 Monthly Benefits are payable.
 Amount of Benefit: 100% of the sum of the last full Disability Benefit plus the amount of any Disability Earnings by which the benefit had been reduced for that month.

Maximum Benefit Period A single lump sum payment equal to 6 monthly Survivor Benefits.

Maximum Benefit PeriodAge When Disability Begins

Age 62 or under

Age 63

Age 64

Age 65

Age 66

Age 67

Age 68

Age 69 or older

Maximum Benefit Period

The Employee's 65th birthday or the date the 42nd Monthly Benefit is payable, if later.

The date the 36th Monthly Benefit is payable.

The date the 30th Monthly Benefit is payable.

The date the 24th Monthly Benefit is payable.

The date the 21st Monthly Benefit is payable.

The date the 18th Monthly Benefit is payable.

The date the 15th Monthly Benefit is payable.

The date the 12th Monthly Benefit is payable.

Initial Premium Rates

\$.357 per \$100 of Covered Payroll

Covered Payroll for an Employee will mean his or her Covered Earnings for the insurance month prior to the date the determination is made. However, an Employee's Covered Payroll will not include any part of his or her monthly Covered Earnings which exceed \$20,833.

TL-004774

SCHEDULE OF BENEFITS FOR CLASS 3

Eligibility Waiting Period

For Employees hired on or before the Policy Effective Date: After 1 month of Active Service

For Employees hired after the Policy Effective Date: After 1 month of Active Service

Definition of Disability/Disabled

The Employee is considered Disabled if, solely because of Injury or Sickness, he or she is:

1. unable to perform the material duties of his or her Regular Occupation; and
2. unable to earn 80% or more of his or her Indexed Earnings from working in his or her Regular Occupation.

The Insurance Company will require proof of earnings and continued Disability.

Definition of Optimum Ability

While benefits are payable, the greatest extent of work the Employee is able to do in his or her Regular Occupation.

The Employee's ability to work is based on the following:

1. medical evidence submitted by the Employee;
2. consultation with the Employee's Physician; and
3. evaluation of the Employee's ability to work by not more than three Independent Experts if required by the Insurance Company.

There is no cost to the Employee for evaluation by an Independent Expert when required by the Insurance Company to determine Optimum Ability.

The Independent Expert must be:

1. licensed, registered or certified as required by the laws of the state in which the evaluation is made; and
2. acting within the scope of that license, registration or certificate.

Definition of Covered Earnings

Covered Earnings (flex pay) is the Employee's annual rate of pay plus the three year average of any lump sum payments (lump sum payments are normally Pay for Performance earnings, but could also encompass a lump sum merit) or incentive pay determined as of September 15th of each year divided by 12 months, as reported by the Employer for work performed for the Employer as in effect just prior to the date Disability begins. It does not include earnings received from commissions, overtime pay or other extra compensation. Covered Earnings are determined initially on the date an Employee applies for coverage. A change in the amount of Covered Earnings is effective as of September 15th of each year, if the Employer gives us written notice of the change and the required premium is paid.

Any increase in an Employee's Covered Earnings will not be effective during a period of continuous Disability.

Elimination Period

Core Benefit:	6 months
Optional Benefit:	6 months

Gross Disability Benefit

Core Benefit:	60% of the Disabled Employee's first \$8,333 of monthly Covered Earnings, plus 40% of the Disabled Employee's monthly Covered Earnings in excess of \$8,333, to a monthly maximum of \$10,000.
Optional Benefit:	70% of the Disabled Employee's first \$8,333 of monthly Covered Earnings, plus 40% of the Disabled Employee's monthly Covered Earnings in excess of \$8,333, to a monthly maximum of \$10,833.

Maximum Disability Benefit

Core Benefit:	\$10,000 per month
Optional Benefit:	\$10,833 per month

Minimum Disability Benefit

Core Benefit:	\$50 per month
Optional Benefit:	\$50 per month

Disability Benefit Calculation

The Disability Benefit payable to the Employee is figured using the Gross Disability Benefit, Other Income Benefits, calculation of Optimum Ability and the Return to Work Incentive. Monthly Benefits are based on a 30-day month. The Disability Benefit will be prorated if payable for any period less than a month.

During any month the Employee has no Disability Earnings, the monthly benefit payable is the Gross Disability Benefit less Other Income Benefits, and less the calculation for Optimum Ability. During any month the Employee has Disability Earnings, benefits are determined under the Return to Work Incentive. Benefits will not be less than the minimum benefit shown in the Schedule of Benefits except as provided under the section Minimum Benefit.

"Other Income Benefits" means any benefits listed in the Other Income Benefits provision that an Employee receives on his or her own behalf or for dependents, or which the Employee's dependents receive because of the Employee's entitlement to Other Income Benefits.

Return to Work Incentive

During any month the Employee has Disability Earnings, his or her benefits will be calculated as follows.

The Employee's monthly benefit payable will be calculated as follows during the first 24 months disability benefits are payable and the Employee has Disability Earnings:

1. Add the Employee's Gross Disability Benefit and Disability Earnings.
2. Compare the sum from 1. to the Employee's Indexed Earnings.
3. If the sum from 1. exceeds 100% of the Employee's Indexed Earnings, then subtract the Indexed Earnings from the sum in 1.
4. The Employee's Gross Disability Benefit will be reduced by the difference from 3., as well as by Other Income Benefits and the calculation for Optimum Ability.
5. If the sum from 1. does not exceed 100% of the Employee's Indexed Earnings, the Employee's Gross Disability Benefit will be reduced by Other Income Benefits and the calculation for Optimum Ability.

After disability benefits are payable for 24 months, the monthly benefit payable is the Gross Disability Benefit reduced by Other Income Benefits, the calculation for Optimum Ability and 50% of Disability Earnings.

No Disability Benefits will be paid, and insurance will end if the Insurance Company determines the Employee is able to work under a modified work arrangement and he or she refuses to do so without Good Cause.

Calculation for Optimum Ability

The calculation for Optimum Ability is the earnings the Employee could earn if working at Optimum Ability, minus Disability Earnings.

Additional Benefits

Survivor Benefit

Benefit Waiting Period:	After 6 Monthly Benefits are payable.
Amount of Benefit:	100% of the sum of the last full Disability Benefit plus the amount of any Disability Earnings by which the benefit had been reduced for that month.

Maximum Benefit Period	A single lump sum payment equal to 6 monthly Survivor Benefits.
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Maximum Benefit Period

Age When Disability Begins

Age 62 or under

Age 63

Age 64

Age 65

Age 66

Age 67

Age 68

Age 69 or older

Maximum Benefit Period

The Employee's 65th birthday or the date the 42nd Monthly Benefit is payable, if later.

The date the 36th Monthly Benefit is payable.

The date the 30th Monthly Benefit is payable.

The date the 24th Monthly Benefit is payable.

The date the 21st Monthly Benefit is payable.

The date the 18th Monthly Benefit is payable.

The date the 15th Monthly Benefit is payable.

The date the 12th Monthly Benefit is payable.

Initial Premium Rates

Core Benefit:	\$.357 per \$100 of Covered Payroll to a maximum of \$20,833
Optional Benefit:	\$.524 per \$100 of Covered Payroll to a maximum of \$20,833

Covered Payroll for an Employee will mean his or her Covered Earnings for the insurance month prior to the date the determination is made. However, an Employee's Covered Payroll will not include any part of his or her monthly Covered Earnings which exceed the maximum amount as indicated above.

TL-004774

ELIGIBILITY FOR INSURANCE

An Employee in one of the Classes of Eligible Employees shown in the Schedule of Benefits is eligible to be insured on the Policy Effective Date, or the day after he or she completes the Eligibility Waiting Period, if later. The Eligibility Waiting Period is the period of time the Employee must be in Active Service to be eligible for coverage. It will be extended by the number of days the Employee is not in Active Service.

Except as noted in the Reinstatement Provision, if an Employee terminates coverage and later wishes to reapply, or if a former Employee is rehired, a new Eligibility Waiting Period must be satisfied. An Employee is not required to satisfy a new Eligibility Waiting Period if insurance ends because he or she is no longer in a Class of Eligible Employees, but continues to be employed and within one year becomes a member of an eligible class.

TL-004710

EFFECTIVE DATE OF INSURANCE

An Employee will be insured on the date he or she becomes eligible, if the Employee is not required to contribute to the cost of this insurance.

An Employee who is required to contribute to the cost of this insurance may elect to be insured only by authorizing payroll deduction in a form approved by the Employer and the Insurance Company. The effective date of this insurance depends on the date coverage is elected.

Insurance for an Employee who applies for coverage within 31 days after he or she becomes eligible or during an Annual Enrollment Period is effective on the latest of the following dates.

1. The Policy Effective Date.
2. The date payroll deduction is authorized.
3. The date the Employer or Insurance Company receives the completed enrollment form.

If an Employee's enrollment form is received more than 31 days after he or she is eligible for this insurance, the Insurability Requirement must be satisfied before this insurance is effective. If approved, this insurance is effective on the date the Insurance Company agrees in writing to insure the Employee.

If an Employee is not in Active Service on the date insurance would otherwise be effective, it will be effective on the date he or she returns to any occupation for the Employer on a Full-time or Part-time basis.

TL-004712

TERMINATION OF INSURANCE

An Employee's coverage will end on the earliest of the following dates:

1. the date the Employee is eligible for coverage under a plan intended to replace this coverage;
2. the date the Policy is terminated;
3. the date the Employee is no longer in an eligible class;
4. the day after the end of the period for which premiums are paid;
5. the date the Employee is no longer in Active Service;
6. the date benefits end for failure to comply with the terms and conditions of the Policy.

Disability Benefits will be payable to an Employee who is entitled to receive Disability Benefits when the Policy terminates, if he or she remains disabled and meets the requirements of the Policy. Any period of Disability, regardless of cause, that begins when the Employee is eligible under another group disability coverage provided by any employer, will not be covered.

TL-007505.00

CONTINUATION OF INSURANCE

This Continuation of Insurance provision modifies the Termination of Insurance provision to allow insurance to continue under certain circumstances if the Insured Employee is no longer in Active Service. Insurance that is continued under this provision is subject to all other terms of the Termination of Insurance provisions.

Disability Insurance continues if an Employee's Active Service ends due to a Disability for which benefits under the Policy are or may become payable. Premiums for the Employee will be waived while Disability Benefits are payable. If the Employee does not return to Active Service, this insurance ends when the Disability ends or when benefits are no longer payable, whichever occurs first.

If an Employee's Active Service ends due to a family medical leave approved timely by the Employer, insurance will continue for an Employee for up to 12 weeks, if the required premium is paid when due.

If an Employee's Active Service ends due to any leave of absence approved in writing by the Employer prior to the date the Employee ceases work insurance will continue for an Employee for up to 30 days if the required premium is paid. An approved leave of absence does not include layoff or termination of employment.

If an Employee's Active Service ends due to any other excused short term absence from work that is reported to the Employer timely in accordance with the Employer's reporting requirements for such short term absence, insurance for an Employee will continue until the earlier of:

- a. the date the Employee's employment relationship with the Employer terminates;
- b. the date premiums are not paid when due;
- c. the end of the 30 day period that begins with the first day of such excused absence;
- d. the end of the period for which such short term absence is excused by the Employer.

Notwithstanding any other provision of this policy, if an Employee's Active Service ends due to layoff, termination of employment, or any other termination of the employment relationship, insurance will terminate and Continuation of Insurance under this provision will not apply.

If an Employee's insurance is continued pursuant to this Continuation of Insurance provision, and he or she becomes Disabled during such period of continuation, Disability Benefits will not begin until the later of the date the Elimination Period is satisfied or the date he or she is scheduled to return to Active Service.

TL-004716

TAKEOVER PROVISION

This provision applies only to Employees eligible under this Policy who were covered for long term disability coverage on the day prior to the effective date of this Policy under the Prior Plan provided by the Policyholder or by an entity that has been acquired by the Policyholder.

- A. This section A applies to Employees who are not in Active Service on the day prior to the effective date of this Policy due to a reason for which the Prior Plan and this Policy both provide for continuation of insurance. If required premium is paid when due, the Insurance Company will insure an Employee to which this section applies against a disability that occurs after the effective date of this Policy for the affected employee group. This coverage will be provided until the earlier of the date: (a) the employee returns to Active Service, (b) continuation of insurance under the Prior Plan would end but for termination of that plan; or (c) the date continuation of insurance under this Policy would end if computed from the first day the employee was not in Active Service. The Policy will provide this coverage as follows:

1. If benefits for a disability are covered under the Prior Plan, no benefits are payable under this Plan.
 2. If the disability is not a covered disability under the Prior Plan solely because the plan terminated, benefits payable under this Policy for that disability will be the lesser of: (a) the disability benefits that would have been payable under the Prior Plan; and (b) those provided by this Policy. Credit will be given for partial completion under the Prior Plan of Elimination Periods and partial satisfaction of pre-existing condition limitations.
- B. The Elimination Period under this Policy will be waived for a Disability which begins while the Employee is insured under this Policy if all of the following conditions are met:
1. The Disability results from the same or related causes as a Disability for which monthly benefits were payable under the Prior Plan;
 2. Benefits are not payable for the Disability under the Prior Plan solely because it is not in effect;
 3. An Elimination Period would not apply to the Disability if the Prior Plan had not ended;
 4. The Disability begins within 6 months of the Employee's return to Active Service and the Employee's insurance under this Policy is continuous from this Policy's Effective Date.
- C. Except for any amount of benefit in excess of a Prior Plan's benefits, the Pre-existing Condition Limitation will not apply to an Employee covered under a Prior Plan who satisfied the pre-existing condition limitation, if any, under that plan. If an Employee, covered under a Prior Plan, did not fully satisfy the pre-existing condition limitation of that plan, credit will be given for any time that was satisfied

Benefits will be determined based on the lesser of: (1) the amount of the gross disability benefit under the Prior Plan and any applicable maximums; and (2) those provided by this Policy.

If benefits are payable under the Prior Plan for the Disability, no benefits are payable under this Policy.

TL-005108

DESCRIPTION OF BENEFITS

The following provisions explain the benefits available under the Policy. Please see the Schedule of Benefits for the applicability of these benefits to each class of Insureds.

Disability Benefits

The Insurance Company will pay Disability Benefits if an Employee becomes Disabled while covered under this Policy. The Employee must satisfy the Elimination Period, be under the Appropriate Care of a Physician, and meet all the other terms and conditions of the Policy. He or she must provide the Insurance Company, at his or her own expense, satisfactory proof of Disability before benefits will be paid. The Disability Benefit is shown in the Schedule of Benefits.

The Insurance Company will require continued proof of the Employee's Disability for benefits to continue.

Elimination Period

The Elimination Period is the period of time an Employee must be continuously Disabled before Disability Benefits are payable. The Elimination Period is shown in the Schedule of Benefits.

A period of Disability is not continuous if separate periods of Disability result from unrelated causes.

Disability Benefit Calculation

The Disability Benefit Calculation is shown in the Schedule of Benefits. Monthly Disability Benefits are based on a 30 day period. They will be prorated if payable for any period less than a month. If an Employee is working while Disabled, the Disability Benefit Calculation will be the Return to Work Incentive.

Return to Work Incentive

The Return to Work Incentive is shown in the Schedule of Benefits. An Employee may work for wage or profit while Disabled. In any month in which the Employee works and a Disability Benefit is payable, the Return to Work Incentive applies.

The Insurance Company will, from time to time, review the Employee's status and will require satisfactory proof of earnings and continued Disability.

Minimum Benefit

~~The Insurance Company will pay the Minimum Benefit shown in the Schedule of Benefits despite any reductions made for Other Income Benefits. The Minimum Benefit will not apply if benefits are being withheld to recover an overpayment of benefits.~~

Other Income Benefits

An Employee for whom Disability Benefits are payable under this Policy may be eligible for benefits from Other Income Benefits. If so, the Insurance Company may reduce the Disability Benefits by the amount of such Other Income Benefits.

Other Income Benefits include:

1. any amounts received (or assumed to be received*) by the Employee or his or her dependents under:
 - the Canada and Quebec Pension Plans;
 - the Railroad Retirement Act;
 - any local, state, provincial or federal government disability or retirement plan or law payable for Injury or Sickness provided as a result of employment with the Employer;
 - any sick leave or salary continuation plan of the Employer;
 - any work loss provision in mandatory "No-Fault" auto insurance.
2. any Social Security disability or retirement benefits the Employee or any third party receives (or is assumed to receive*) on his or her own behalf or for his or her dependents; or which his or her dependents receive (or are assumed to receive*) because of his or her entitlement to such benefits.
3. any Retirement Plan benefits funded by the Employer. "Retirement Plan" means any defined benefit or defined contribution plan sponsored or funded by the Employer. It does not include an individual deferred compensation agreement; a profit sharing or any other retirement or savings plan maintained in addition to a defined benefit or other defined contribution pension plan, or any employee savings plan including a thrift, stock option or stock bonus plan, individual retirement account or 401(k) plan.
4. any proceeds payable under any franchise or group insurance or similar plan available through the Policyholder. If other insurance applies to the same claim for Disability, and contains the same or similar provision for reduction because of other insurance, the Insurance Company will pay for its pro rata share of the total claim. "Pro rata share" means the proportion of the total benefit that the amount payable under one policy, without other insurance, bears to the total benefits under all such policies.
5. any amounts received (or assumed to be received*) by the Employee or his or her dependents under any workers' compensation, occupational disease, unemployment compensation law or similar state or federal law payable for Injury or Sickness arising out of work with the Employer, including all permanent and temporary disability benefits. This includes any damages, compromises or settlement paid in place of such benefits, whether or not liability is admitted.

6. any amounts paid because of loss of earnings or earning capacity through settlement, judgment, arbitration or otherwise, where a third party may be liable, regardless of whether liability is determined.

Dependents include any person who receives (or is assumed to receive*) benefits under any applicable law because of an Employee's entitlement to benefits.

*See the Assumed Receipt of Benefits provision.

Increases in Other Income Benefits

Any increase in Other Income Benefits during a period of Disability due to a cost of living adjustment will not be considered in calculating the Employee's Disability Benefits after the first reduction is made for any Other Income Benefits. This section does not apply to any cost of living adjustment for Disability Earnings.

Lump Sum Payments

Other Income Benefits or earnings paid in a lump sum will be prorated over the period for which the sum is given. If no time is stated, the lump sum will be prorated over five years.

If no specific allocation of a lump sum payment is made, then the total payment will be an Other Income Benefit.

Assumed Receipt of Benefits

The Insurance Company will assume the Employee (and his or her dependents, if applicable) are receiving benefits for which they are eligible from Other Income Benefits. The Insurance Company will reduce the Employee's Disability Benefits by the amount from Other Income Benefits it estimates are payable to the Employee and his or her dependents.

The Insurance Company will waive Assumed Receipt of Benefits, except for Disability Earnings for work the Employee performs while Disability Benefits are payable, if the Employee:

1. provides satisfactory proof of application for Other Income Benefits;
2. signs a Reimbursement Agreement;
3. provides satisfactory proof that all appeals for Other Income Benefits have been made unless the Insurance Company determines that further appeals are not likely to succeed; and
4. submits satisfactory proof that Other Income Benefits were denied.

The Insurance Company will not assume receipt of any pension or retirement benefits that are actuarially reduced according to applicable law, until the Employee actually receives them.

Social Security Assistance

The Insurance Company may help the Employee in applying for Social Security Disability Income (SSDI) Benefits, and may require the Employee to file an appeal if it believes a reversal of a prior decision is possible.

The Insurance Company will reduce Disability Benefits by the amount it estimates the Employee will receive, if the Employee refuses to cooperate with or participate in the Social Security Assistance Program.

Recovery of Overpayment

The Insurance Company has the right to recover any benefits it has overpaid. The Insurance Company may use any or all of the following to recover an overpayment:

1. request a lump sum payment of the overpaid amount;
2. reduce any amounts payable under this Policy; and/or

3. take any appropriate collection activity available to it.

The Minimum Benefit amount will not apply when Disability Benefits are reduced in order to recover any overpayment.

If an overpayment is due when the Employee dies, any benefits payable under the Policy will be reduced to recover the overpayment.

Successive Periods of Disability

A separate period of Disability will be considered continuous:

1. if it results from the same or related causes as a prior Disability for which benefits were payable; and
2. if, after receiving Disability Benefits, the Employee returns to work in his or her Regular Occupation for less than 6 consecutive months; and
3. if the Employee earns less than the percentage of Indexed Earnings that would still qualify him or her to meet the definition of Disability/Disabled during at least one month.

Any later period of Disability, regardless of cause, that begins when the Employee is eligible for coverage under another group disability plan provided by any employer will not be considered a continuous period of Disability.

For any separate period of disability which is not considered continuous, the Employee must satisfy a new Elimination Period.

LIMITATIONS

Limited Benefit Periods

The Insurance Company will pay Disability Benefits on a limited basis during an Employee's lifetime for a Disability caused by, or contributed to by, any one or more of the following conditions. Once 24 monthly Disability Benefits have been paid, no further benefits will be payable for any of the following conditions.

1. Alcoholism
2. Anxiety disorders
3. Delusional (paranoid) disorders
4. Depressive disorders
5. Drug addiction or abuse
6. Eating disorders
7. Mental illness
8. Somatoform disorders (psychosomatic illness)

If, before reaching his or her lifetime maximum benefit, an Employee is confined in a hospital for more than 14 consecutive days, that period of confinement will not count against his or her lifetime limit. The confinement must be for the Appropriate Care of any of the conditions listed above.

Pre-Existing Condition Limitation

The Insurance Company will not pay benefits for any period of Disability caused or contributed to by, or resulting from, a Pre-existing Condition. A "Pre-existing Condition" means any Injury or Sickness for which the Employee incurred expenses, received medical treatment, care or services including diagnostic measures, took prescribed drugs or medicines, or for which a reasonable person would have consulted a Physician within 6 months before his or her most recent effective date of insurance.

The Pre-existing Condition Limitation will apply to any added benefits or increases in benefits. This limitation will not apply to a period of Disability that begins after an Employee is covered for at least 12 months after his or her most recent effective date of insurance, or the effective date of any added or increased benefits.

TL-007500.17

ADDITIONAL BENEFITS

Rehabilitation During a Period of Disability

If the Insurance Company determines that a Disabled Employee is a suitable candidate for rehabilitation, the Insurance Company may require the Employee to participate in a Rehabilitation Plan and assessment at our expense. The Insurance Company has the sole discretion to approve the Employee's participation in a Rehabilitation Plan and to approve a program as a Rehabilitation Plan. The Insurance Company will work with the Employee, the Employer and the Employee's Physician and others, as appropriate, to perform the assessment, develop a Rehabilitation Plan, and discuss return to work opportunities.

The Rehabilitation Plan may, at the Insurance Company's discretion, allow for payment of the Employee's medical expense, education expense, moving expense, accommodation expense or family care expense while he or she participates in the program.

If an Employee fails to fully cooperate in all required phases of the Rehabilitation Plan and assessment without Good Cause, no Disability Benefits will be paid, and insurance will end.

TL-007501.00

Survivor Benefit

The Insurance Company will pay a Survivor Benefit if an Employee dies while Monthly Benefits are payable. The Employee must have been continuously Disabled for the Survivor Benefit Waiting Period before the first benefit is payable. These benefits will be payable for the Maximum Benefit Period for Survivor Benefits.

Benefits will be paid to the Employee's Spouse. If there is no Spouse, benefits will be paid in equal shares to the Employee's surviving Children. If there are no Spouse and no Children, benefits will be paid to the Employee's estate.

"Spouse" means an Employee's lawful spouse. "Children" means an Employee's unmarried children under age 21 who are chiefly dependent upon the Employee for support and maintenance. The term includes a stepchild living with the Employee at the time of his or her death.

TL-005107

TERMINATION OF DISABILITY BENEFITS

Benefits will end on the earliest of the following dates:

1. the date the Employee earns from any occupation, more than the percentage of Indexed Earnings set forth in the definition of Disability applicable to him or her at that time;
2. the date the Insurance Company determines he or she is not Disabled;
3. the end of the Maximum Benefit Period;
4. the date the Employee dies;
5. the date the Employee refuses, without Good Cause, to fully cooperate in all required phases of the Rehabilitation Plan and assessment;
6. the date the Employee is no longer receiving Appropriate Care;
7. the date the Employee fails to cooperate with the Insurance Company in the administration of the claim. Such cooperation includes, but is not limited to, providing any information or documents needed to determine whether benefits are payable or the actual benefit amount due.

Benefits may be resumed if the Employee begins to cooperate fully in the Rehabilitation Plan within 30 days of the date benefits terminated.

TL-007502.00

EXCLUSIONS

The Insurance Company will not pay any Disability Benefits for a Disability that results, directly or indirectly, from:

1. suicide, attempted suicide, or self-inflicted injury while sane or insane.
2. war or any act of war, whether or not declared.
3. active participation in a riot.
4. commission of a felony.
5. the revocation, restriction or non-renewal of an Employee's license, permit or certification necessary to perform the duties of his or her occupation unless due solely to Injury or Sickness otherwise covered by the Policy.

In addition, the Insurance Company will not pay Disability Benefits for any period of Disability during which the Employee is incarcerated in a penal or corrections institution.

TL-007503.00

CLAIM PROVISIONS

Notice of Claim

Written notice, or notice by any other electronic/telephonic means authorized by the Insurance Company, must be given to the Insurance Company within 31 days after a covered loss occurs or begins or as soon as reasonably possible. If written notice, or notice by any other electronic/telephonic means authorized by the Insurance Company, is not given in that time, the claim will not be invalidated or reduced if it is shown that notice was given as soon as was reasonably possible. Notice can be given at our home office in Philadelphia, Pennsylvania or to our agent. Notice should include the Employer's Name, the Policy Number and the claimant's name and address.

Claim Forms

When the Insurance Company receives notice of claim, the Insurance Company will send claim forms for filing proof of loss. If claim forms are not sent within 15 days after notice is received by the Insurance Company, the proof requirements will be met by submitting, within the time required under the "Proof of Loss" section, written proof, or proof by any other electronic/telephonic means authorized by the Insurance Company, of the nature and extent of the loss.

Claimant Cooperation Provision

Failure of a claimant to cooperate with the Insurance Company in the administration of the claim may result in termination of the claim. Such cooperation includes, but is not limited to, providing any information or documents needed to determine whether benefits are payable or the actual benefit amount due.

Insurance Data

The Employer is required to cooperate with the Insurance Company in the review of claims and applications for coverage. Any information the Insurance Company provides in these areas is confidential and may not be used or released by the Employer if not permitted by applicable privacy laws.

Proof of Loss

Written proof of loss, or proof by any other electronic/telephonic means authorized by the Insurance Company, must be given to the Insurance Company within 90 days after the date of the loss for which a claim is made. If written proof of loss, or proof by any other electronic/telephonic means authorized by the Insurance Company, is not given in that 90 day period, the claim will not be invalidated nor reduced if it is shown that it was given as soon as was reasonably possible. In any case, written proof of loss, or proof by any other electronic/telephonic means authorized by the Insurance Company, must be given not more than one year after that 90 day period. If written proof of loss, or proof by any other electronic/telephonic means authorized by the Insurance Company, is provided outside of these time limits, the claim will be denied. These time limits will not apply while the person making the claim lacks legal capacity.

Written proof, or proof by any other electronic/telephonic means authorized by the Insurance Company, that the loss continues must be furnished to the Insurance Company at intervals required by us. Within 30 days of a request, written proof of continued Disability and Appropriate Care by a Physician must be given to the Insurance Company.

Time of Payment

Disability Benefits will be paid at regular intervals of not less frequently than once a month. Any balance, unpaid at the end of any period for which the Insurance Company is liable, will be paid at that time.

To Whom Payable

Disability Benefits will be paid to the Employee. If any person to whom benefits are payable is a minor or, in the opinion of the Insurance Company, is not able to give a valid receipt, such payment will be made to his or her legal guardian. However, if no request for payment has been made by the legal guardian, the Insurance Company may, at its option, make payment to the person or institution appearing to have assumed custody and support.

If an Employee dies while any Disability Benefits remain unpaid, the Insurance Company may, at its option, make direct payment to any of the following living relatives of the Employee: spouse, mother, father, children, brothers or sisters; or to the executors or administrators of the Employee's estate. The Insurance Company may reduce the amount payable by any indebtedness due.

Payment in the manner described above will release the Insurance Company from all liability for any payment made.

Physical Examination and Autopsy

The Insurance Company, at its expense, will have the right to examine any person for whom a claim is pending as often as it may reasonably require. The Insurance Company may, at its expense, require an autopsy unless prohibited by law.

Legal Actions

No action at law or in equity may be brought to recover benefits under the Policy less than 60 days after written proof of loss, or proof by any other electronic/telephonic means authorized by the Insurance Company, has been furnished as required by the Policy. No such action shall be brought more than 5 years after the time satisfactory proof of loss is required to be furnished.

Time Limitations

If any time limit stated in the Policy for giving notice of claim or proof of loss, or for bringing any action at law or in equity, is less than that permitted by the law of the state in which the Employee lives when the Policy is issued, then the time limit provided in the Policy is extended to agree with the minimum permitted by the law of that state.

Physician/Patient Relationship

The Insured will have the right to choose any Physician who is practicing legally. The Insurance Company will in no way disturb the Physician/patient relationship.

TL-004724

ADMINISTRATIVE PROVISIONS**Premiums**

The premiums for this Policy will be based on the rates currently in force, the plan and the amount of insurance in effect.

Changes in Premium Rates

The premium rates may be changed by the Insurance Company from time to time with at least 31 days advance written notice. No change in rates will be made until 36 months after the Policy Effective Date. An increase in rates will not be made more often than once in a 12 month period. However, the Insurance Company reserves the right to change the rates even during a period for which the rate is guaranteed if any of the following events take place.

1. The terms of the Policy change.
2. A division, subsidiary, affiliated company or eligible class is added or deleted from the Policy.
3. There is a change in the factors bearing on the risk assumed.
4. Any federal or state law or regulation is amended to the extent it affects the Insurance Company's benefit obligation.
5. The Insurance Company determines that the Employer has failed to promptly furnish any necessary information requested by the Insurance Company, or has failed to perform any other obligations in relation to the Policy.

If an increase or decrease in rates takes place on a date that is not a Premium Due Date, a pro rata adjustment will apply from the date of the change to the next Premium Due Date.

Reporting Requirements

The Employer must, upon request, give the Insurance Company any information required to determine who is insured, the amount of insurance in force and any other information needed to administer the plan of insurance.

Payment of Premium

The first premium is due on the Policy Effective Date. After that, premiums will be due monthly unless the Employer and the Insurance Company agree on some other method of premium payment.

If any premium is not paid when due, the plan will be canceled as of the Premium Due Date, except as provided in the Policy Grace Period section.

Notice of Cancellation

The Employer or the Insurance Company may cancel the Policy as of any Premium Due Date by giving 31 days advance written notice. If a premium is not paid when due, the Policy will automatically be canceled as of the Premium Due Date, except as provided in the Policy Grace Period section.

Policy Grace Period

A Policy Grace Period of 31 days will be granted for the payment of the required premiums under this Policy. This Policy will be in force during the Policy Grace Period. The Employer is liable to the Insurance Company for any unpaid premium for the time this Policy was in force.

Grace Period for the Insured

If the required premium is not paid on the Premium Due Date, there is a 31 day grace period after each premium due date after the first. If the required premium is not paid during the grace period, insurance will end on the last day for which premium was paid.

Reinstatement of Insurance

An Employee's insurance may be reinstated if it ends because the Employee is on an unpaid leave of absence.

An Employee's insurance may be reinstated only if reinstatement occurs within 12 weeks from the date insurance ends due to an Employer approved unpaid leave of absence or must be returning from military service pursuant to the Uniformed Services Employment Act of 1994 (USERRA). For insurance to be reinstated the following conditions must be met.

1. An Employee must be in a Class of Eligible Employees.
2. The required premium must be paid.
3. A written request for reinstatement must be received by the Insurance Company within 31 days from the date an Employee returns to Active Service.

Reinstated insurance will be effective on the date the Employee returns to Active Service. If an Employee did not fully satisfy the Eligibility Waiting Period or the Pre-Existing Condition Limitation (if any) before insurance ended due to an unpaid leave of absence, credit will be given for any time that was satisfied.

TL-004720

GENERAL PROVISIONS**Entire Contract**

The entire contract will be made up of the Policy, the application of the Employer, a copy of which is attached to the Policy, and the applications, if any, of the Insureds.

Incontestability

All statements made by the Employer or by an Insured are representations not warranties. No statement will be used to deny or reduce benefits or as a defense to a claim, unless a copy of the instrument containing the statement has been furnished to the claimant. In the event of death or legal incapacity, the beneficiary or representative must receive the copy.

After two years from an Insured's effective date of insurance, or from the effective date of any added or increased benefits, no such statement will cause insurance to be contested except for fraud or eligibility for coverage.

Misstatement of Age

If an Insured's age has been misstated, the Insurance Company will adjust all benefits to the amounts that would have been purchased for the correct age.

Policy Changes

No change in the Policy will be valid until approved by an executive officer of the Insurance Company. This approval must be endorsed on, or attached to, the Policy. No agent may change the Policy or waive any of its provisions.

Workers' Compensation Insurance

The Policy is not in lieu of and does not affect any requirements for insurance under any Workers' Compensation Insurance Law.

Certificates

A certificate of insurance will be delivered to the Employer for delivery to Insureds. Each certificate will list the benefits, conditions and limits of the Policy. It will state to whom benefits will be paid.

Assignment of Benefits

The Insurance Company will not be affected by the assignment of an Insured's certificate until the original assignment or a certified copy of the assignment is filed with the Insurance Company. The Insurance Company will not be responsible for the validity or sufficiency of an assignment. An assignment of benefits will operate so long as the assignment remains in force provided insurance under the Policy is in effect. This insurance may not be levied on, attached, garnisheed, or otherwise taken for a person's debts. This prohibition does not apply where contrary to law.

Clerical Error

A person's insurance will not be affected by error or delay in keeping records of insurance under the Policy. If such an error is found, the premium will be adjusted fairly.

Agency

The Employer and Plan Administrator are agents of the Employee for transactions relating to insurance under the Policy. The Insurance Company is not liable for any of their acts or omissions.

TL-004726

DEFINITIONS

Please note, certain words used in this document have specific meanings. These terms will be capitalized throughout this document. The definition of any word, if not defined in the text where it is used, may be found either in this Definitions section or in the Schedule of Benefits.

Active Service

An employee is in Active Service on a day which is one of the Employer's scheduled work days if either of the following conditions are met.

1. The Employee is performing his or her regular occupation for the Employer on a full-time basis. He or she must be working at one of the Employer's usual places of business or at some location to which the employer's business requires an Employee to travel.
2. The day is a scheduled holiday or vacation day and the Employee was performing his or her regular occupation on the preceding scheduled work day.

An Employee is in Active Service on a day which is not one of the Employer's scheduled work days only if he or she was in Active Service on the preceding scheduled work day.

Annual Enrollment Period

The period in each calendar year when an eligible Employee may enroll for or change benefit elections under the Policy. This period must be agreed upon by the Employer and the Insurance Company.

Appropriate Care

Appropriate Care means the determination of an accurate and medically supported diagnosis of the Employee's Disability by a Physician, or a plan established by a Physician of ongoing medical treatment and care of the Disability that conforms to generally accepted medical standards, including frequency of treatment and care.

Consumer Price Index (CPI-W)

The Consumer Price Index for Urban Wage Earners and Clerical Workers published by the U.S. Department of Labor. If the index is discontinued or changed, another nationally published index that is comparable to the CPI-W will be used.

Disability Earnings

Any wage or salary for any work performed for any employer during the Employee's Disability, including commissions, bonus, overtime pay or other extra compensation.

Employee

For eligibility purposes, an Employee is an employee of the Employer in one of the "Classes of Eligible Employees." Otherwise, Employee means an employee of the Employer who is insured under the Policy.

Employer

The Policyholder and any affiliates or subsidiaries covered under the Policy. The Employer is acting as an agent of the Insured for transactions relating to this insurance. The actions of the Employer shall not be considered the actions of the Insurance Company.

Full-time

Full-time means the number of hours set by the Employer as a regular work day for Employees in the Employee's eligibility class.

Good Cause

A medical reason preventing participation in the Rehabilitation Plan. Satisfactory proof of Good Cause must be provided to the Insurance Company.

Indexed Earnings

For the first 12 months Monthly Benefits are payable, Indexed Earnings will be equal to Covered Earnings. After 12 Monthly Benefits are payable, Indexed Earnings will be an Employee's Covered Earnings plus an increase applied on each anniversary of the date Monthly Benefits became payable. The amount of each increase will be the lesser of:

1. 10% of the Employee's Indexed Earnings during the preceding year of Disability; or
2. the rate of increase in the Consumer Price Index (CPI-W) during the preceding calendar year.

Injury

Any accidental loss or bodily harm which results directly and independently of all other causes from an Accident.

Insurability Requirement

An eligible person will satisfy the Insurability Requirement for an amount of coverage on the day the Insurance Company agrees in writing to accept him or her as insured for that amount. To determine a person's acceptability for coverage, the Insurance Company will require evidence of good health and may require it be provided at the Employee's expense.

Insurance Company

The Insurance Company underwriting the Policy is named on the Policy cover page.

Insured

A person who is eligible for insurance under the Policy, for whom insurance is elected, the required premium is paid and coverage is in force under the Policy.

Part-time

Part-time means the number of hours set by the Employer as a regular work day for Employees in the Employee's eligibility class.

Physician

Physician means a licensed doctor practicing within the scope of his or her license and rendering care and treatment to an Insured that is appropriate for the condition and locality. The term does not include an Employee, an Employee's spouse, the immediate family (including parents, children, siblings or spouses of any of the foregoing, whether the relationship derives from blood or marriage), of an Employee or spouse, or a person living in an Employee's household.

Prior Plan

The Prior Plan refers to the plan of insurance providing similar benefits sponsored by the Employer in effect directly prior to the Policy Effective Date. A Prior Plan will include the plan of a company in effect on the day prior to that company's addition to this Policy after the Policy Effective Date.

Regular Occupation

The occupation the Employee routinely performs at the time the Disability begins. In evaluating the Disability, the Insurance Company will consider the duties of the occupation as it is normally performed in the general labor market in the national economy. It is not work tasks that are performed for a specific employer or at a specific location.

Rehabilitation Plan

A written plan designed to enable the Employee to return to work. The Rehabilitation Plan will consist of one or more of the following phases:

1. rehabilitation, under which the Insurance Company may provide, arrange or authorize educational, vocational or physical rehabilitation or other appropriate services;
2. work, which may include modified work and work on a part-time basis.

Sickness

Any physical or mental illness.

TL-007500.17

SCHEDULE OF AFFILIATES

The following affiliates are covered under the Policy as of June 1, 2004.

Affiliate Name

Yellow Transportation

Meridian IQ/Yellow Global

Yellow Technologies

TL-004776

**LIFE INSURANCE COMPANY OF NORTH AMERICA
PHILADELPHIA, PENNSYLVANIA**

We, Yellow Roadway Corporation, whose main office address is Overland Park, KS, hereby apply to the Life Insurance Company of North America for Policy Number FLK-980016.

We approve and accept the terms of this Policy.

This application is to be signed in duplicate. One part is to be attached to the Policy; the other part is to be returned to the Life Insurance Company of North America.

This application supersedes any previous application for this Policy.

Yellow Roadway Corporation
(Full or Corporate Name of Applicant)

Signed at: _____ By: _____
(Signature and Title)

On: _____ Witness: _____
(To be signed by Licensed Resident Agent where required by law)
(This Copy Is To Remain Attached To The Policy)

TL-004778

**LIFE INSURANCE COMPANY OF NORTH AMERICA
PHILADELPHIA, PENNSYLVANIA**

We, Yellow Roadway Corporation, whose main office address is Overland Park, KS, hereby apply to the Life Insurance Company of North America for Policy Number FLK-980016.

We approve and accept the terms of this Policy.

This application is to be signed in duplicate. One part is to be attached to the Policy; the other part is to be returned to the Life Insurance Company of North America.

This application supersedes any previous application for this Policy.

Yellow Roadway Corporation
(Full or Corporate Name of Applicant)

Signed at: _____ By: _____
(Signature and Title)

On: _____ Witness: _____
(To be signed by Licensed Resident Agent where required by law)
(This Copy Is To Be Returned To Us)

TL-004778

2005 Confirmation Statement

This statement confirms your annual 2005 benefit enrollment elections. Please review all information contained in this statement for accuracy. These elections will go into effect on January 1, 2005. If you want to make any changes or corrections, you must access the *FlexChoice Benefit Enrollment System* at <https://yellowroadway.employee.com> between November 30 and December 6, 2004. If you do not have access to the Web, you can call 1-800-967-4709. Any changes you make through the enrollment system will be reflected in a final confirmation statement. If you do not need to make any changes, you do not have to take any further action. However, if there are any forms included with this confirmation statement, please complete and return them as indicated on the form.

Your 2005 Benefit Dollars

	Per Pay Period
Company Provided Benefit Dollars	\$43.78
Vacation, Sell Plan - No Days	\$0.00
Total Benefit Dollars	\$43.78

Your Pay for Performance Deferral Election

(election is irrevocable)	15%
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Your 2005 Benefit Elections

Plan	Coverage	Per Pay Period Price
Medical*	Option 2 - High Option PPO, Employee Only	\$37.72
Dental*	Option 2 - High Option Dental Plan, Employee Only	\$7.50
Vision*	Option 1 - (VSP) Vision Service Plan, Employee & Spouse	\$1.25
AD&D*	Option 0 - No Coverage	\$0.00
LTD*	Option 3 - 66 2/3% of Flex Pay	\$7.14
Basic Life*	1 x Flex Pay (\$50,000)***	\$0.00
Supplemental Life*	Option 3 - 3 x Flex Pay - \$162,000	\$13.84
Spouse Life	Option 0 - No Coverage (After-Tax)	\$0.00
Child Life	Option 0 - No Coverage (After-Tax)	\$0.00

Total Per Pay Period Price (Excluding Reimbursement Accounts)	\$67.45
Unused Benefit Dollars	\$0.00
Before-Tax and After-Tax Payroll Deduction (Excluding Reimbursement Accounts)	\$23.67

Reimbursement Accounts

	Per Pay Period Health Care	Per Pay Period Dependent Care
Unused Benefit Dollars Allocated	\$0.00	\$0.00
Personal Contributions	+ \$0.00*	+ \$0.00*
Total Contributions to Reimbursement Accounts	= \$0.00	= \$0.00

*Pre-Tax contributions

***Your Basic Life Insurance has been capped at the maximum of \$50,000.

EX C

Dependent Information

The following dependents are currently on file for you. Please verify that the information below is correct and complete.

Dep #	Covered Dependents	Social Security Number	Rel*	Sex	Birth Date
1	SHEREE MUNDY	326-54-9717	SP	F	12/20/1955

• **Relationship Codes:**

SP = Spouse; CH = Child under age 19; ST = Full-time student between ages 19 and 24; DC = Disabled Child.

Personal Information

Name: JOSEPH MUNDY
Employee ID Number: 0050679
Benefit Effective Date: 01/01/2005
Vacation Service Date: 10/15/1991
Birth Date: 06/13/1954
Spouse Birth Date: 12/20/1955

Prepared as of: 11/22/04
Benefit Dollar Status: EMPLOYEE + 1
Flex Pay: \$54,423.28
Base Pay: \$52,821.12
Company: YFS

1 4977
JOSEPH MUNDY
10548 TOD DRIVE
PALOS HILLS, IL 60465